Daily Report

Latin America

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FBIS-LAT-89-049 *15 March 1989*

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Cuba

Vice President Rodriguez Comments on Brady Plan

FL1503005289 Havana Radio Rebelde Network in Spanish
0001 GMT 15 Mar 89

[Text] Cuban Vice President Carlos Rafael Rodriguez said today in Lima that the proposal made by U.S. Treasury Secretary Nicholas Brady on the foreign debt is insignificant and in no way resolves the problem.

Rodriguez made a brief stopover at the Jorge Chavez International Airport in the Peruvian capital where he was received by Peruvian Prime Minister Armando Villanueva who conveyed a greeting to the people and Government of Cuba, particularly to President Fidel Castro, whom he called a great Latin American patriot.

In statements made to the press, the renowned Cuban economist commented on the Latin American foreign debt crisis and called for unity on the part of the region's debtor countries. The debt is unpayable, but the important thing is for debtor countries, as a block, to discuss this problem with the creditors, said Carlos Rafael.

The debtors, said the Cuban leader, should meet to discuss their views and to reach an agreement. Perhaps, he added, it may not result in the nonpayment of the foreign debt because not everyone thinks it is not payable but elements of discussion can emerge which can help us. We are not united now, lamented Carlos Rafael Rodriguez.

Plan 'Shows Flexibility'

PA1503011389 Buenos Aires REUTER in Spanish
0033 GMT 15 Mar 89

[Text] Lima, 14 Mar (REUTER)—The U.S. plan to reduce the Latin American foreign debt shows flexibility on the part of creditors, Cuban Vice President Carlos Rafael Rodriguez has stated.

"It is very important for the debtor countries to reach a consensus in view of the difficult situation we face because of the insistent payment demands," Rodriguez told newsmen at the Lima airport during a stop en route to Sao Paulo.

Rodriguez will attend the inauguration of the Memorial Cultural Center of America and later participate in a seminar on the foreign debt in Sao Paulo.

"The Brady plan demonstrates that they (the creditor countries) are attempting to solve this problem," Rodriguez said, referring to the proposal made by U.S. Treasury Secretary Nicholas Brady to reduce the debt of Third World countries, especially those in Latin America, a region that owes more than $400 billion.

"Latin American countries have to have our own solutions," Rodriguez stated. "In spite of the change, the U.S. Government has a hardline position," he added.

'Our America' Commentary

PA1503134389 Havana International Service in Spanish 0014 GMT 15 Mar 89

["Our America" commentary read by Manolo Ortega]

[Text] Amid the difficult situation endured by Latin America because of the foreign debt crisis, the United States, through U.S. Treasury Secretary Nicholas Brady, has launched a bill that is not very different from another one drafted a few years ago by current Secretary of State James Baker.

Economics specialists from Latin America and other parts of the world expressed their fear that the project may worsen the foreign debt crisis because it is just another half-measure aimed at postponing the real solutions to the problems.

According to the economic information discussed in international financial circles, the only novelty of the current plan, which many call Baker II, is that for the first time, the possibility of reducing the Third World debt through the partial forgiving of outstanding obligations is being considered. However, the methods that are being suggested to reduce the debt are most questionable. In this regard, the bill suggests the use of International Monetary Fund [IMF] and World Bank funds to reduce the debt, but certain conditions have been placed on the financing that coincides with Baker's well-known demands for economic reform in debtor countries along with freedom of trade and investment.

Even though the bill has not yet been signed by U.S. President George Bush, all indicates that the head of state does not reject this plan, in which the partial forgiving of outstanding obligations is tied to the draconian condition that the alleged beneficiary countries should strengthen their adjustment program under IMF and World Bank supervision.

Horst Schulmann, director of the Institute of International Financing, which represents more than 180 major world banks, told the Washington media the current approach to the debt is nothing new, because banks have already been using it for the past year in negotiations with several Latin American countries.

From the moment it was learned that a new economic plan was being drafted for the Latin American region, many doubtless asked themselves whether more adjustments were really needed, when the current ones are to blame for events that are difficult for a government to withstand—such as the events that recently took place in Venezuela and may easily take place in another indebted nation.

As for the project, some Argentine economic analysts said that in order to adjust to the plan, Latin American nations should make structural economic reforms such as the opening of trade and the lifting of tariffs, privatization of public enterprises, and modification of the exchange policies.

Many may ask if the project will increase the confusion in a region badly in need of solutions aimed at preventing social explosions and at truly easing the heavy foreign debt burden, which exceeds $420 billion.

Government Authorizes Departure of Former Exile
PA1003190989 Madrid EFE in Spanish 0613 GMT 10 Mar 89

[Text] Havana, 9 Mar (EFE)—Peruvian Embassy sources today informed EFE that the Cuban Government has authorized the departure of Pedro Betancourt Collazo, who spent 8 years at the Peruvian Embassy in Havana demanding to leave Cuba.

Betancourt, 29, who will soon leave the island accompanied by his parents, entered the embassy on 4 April 1980, and remained there until 5 October 1988, when he accepted an agreement signed between Havana and Lima.

In the agreement, the Cuban Government pledged to authorize the departure of the last three Cubans remaining at the embassy within 6 months. Felino Ramirez and Eduardo Herrera are still at the embassy.

In April 1980, more than 10,000 Cubans raided the Peruvian Embassy in Havana in an attempt to leave the country, which prompted a serious crisis between the two countries.

Most of the Cubans involved in the raid later traveled to the United States aboard boats that departed from Mariel Port, leaving only 18 people, 15 of whom left the Peruvian Embassy in 1984.

Ramirez and Herrera have rejected the solution agreed to by Betancourt and are demanding to be allowed to go from the embassy directly to the airport in a Peruvian Government vehicle.

Anti-Cuban Radio Stations Violate 'Norms'
FL1003163489 Havana Radio Progreso Network in Spanish 1200 GMT 10 Mar 89

[Text] The United States is violating international norms and the sovereign rights of the people by financing radio stations against Cuba. This was stated by Ismael Gonzalez, president of the ICRT [Cuban Institute of Radio and Television], when he spoke at the Third Continental Conference on Radio Public Services.

During the forum in Quito, Ecuador, Gonzalez stressed the need to structure new strategies that will contribute to the enrichment of the people and reflect the participation of the people in the cultural affirmation of our America.

Raul Castro Decorates Former Militia Leader
FL1403142089 Havana Tele-Rebelde Network in Spanish
1200 GMT 14 Mar 89

[Text] Army General Raul Castro Ruz, second secretary of the Communist Party of Cuba [PCC] Central Committee and minister of the Revolutionary Armed Forces [FAR], has decorated Comrade Leandro Rodriguez Malagon with the Solidarity Order on the occasion of the 90th birthday of the founder of the National Revolutionary Militia. Raul and Central Committee Secretary Carlos Aldana were paying a working visit to the mountains of Pinar del Rio Province.

[Begin recording] [Video shows Raul Castro with a crowd of people chanting: Long live the revolution! Long live the Malagones! Long live the militia men! Fatherland or death, we will win!]

[Fidel Ramos, first secretary of the PCC in Pinar del Rio] Dear Leandro, old Malagon: The spirit of the militia man in you has always faced the enemy in difficult battles. Today, your victorious spirit irradiates light and illuminates the present and future with the Solidarity Order. On behalf of the minister of the FAR, the Council of State approved this order in recognition of your extraordinary struggle. The people of Pinar del Rio, the Malagones, and you can be proud that this order was handed by the man who has led wisely, together with Fidel, the destinies of our heroic people, the dear second secretary of the party and minister of the FAR, Army General Raul Castro Ruz. [applause]

[Raul Castro] I would only like to add that when Fidel personally trained you in Managua around 1959—wasn't it?—that phrase he told you Leandro. After giving you instructions and 3 months occupying Cabo Lara, wasn't that so? How many days after that did you occupy it?

[Unidentified off-camera speaker] After 18 days.

[Castro] After 18 days. You were given 90 days and you occupied it in 18. You know how to surpass your goals. In addition to what the first secretary of the provincial committee, Comrade Fidel Ramos, said, there is nothing better to say other than the phrase Fidel told Leandro: Malagon, if you triumph, there will be militia men in Cuba. There were militia men in Cuba and they showed their power then because of the triumph of the 12 Malagones headed by Leandro. [applause] [end recording]

Army General Raul Castro promoted Comrade Malagon to captain of the reserve and other members of the first militia force formed in the country to first lieutenant.

[Begin recording] [Castro] On behalf of the commander in chief and the people of Cuba, I congratulate you once more, Mr Captain Malagon or Comrade Capt Malagon. [Castro hands the medal to Rodriguez Malagon, who is in a wheelchair.] [end recording]

Vice Minister To Represent Labor Organization

FL1403032589 Havana Radio Rebelde Network in Spanish 0030 GMT 14 Mar 89

[Text] The Administrative Council of the International Labor Organization has decided to appoint Hector Martinez Brito, vice minister of the Cuban State Committee for Labor and Social Security, to the position of government member. He will represent this organization at the work commission meeting on plantations, of which he will also be president.

This work commission will meet in Geneva, Switzerland from 12 to 29 April 1989 to analyze the conditions of employment and labor on the plantations. The commission will also discuss the satisfaction of essential needs with particular attention paid to seasonal workers, women, and youths.

Customs Workers Hold Meeting in Camaguey

FL1103025089 Havana Television Service in Spanish 0100 GMT 11 Mar 89

[Text] Camaguey Province's customs has ranked first of its kind in the country because of its efficient work. The territorial delegation of Camaguey's customs, national vanguard for several years, ratified its most outstanding status by averaging 95 points in the fronts of prevention and vigilance, canine techniques, operational information, and supervision.

The Matanzas customs and the one that works independently at Havana's Jose Marti International Airport ranked second and third, respectively. This was reported during the national meeting of customs workers for the fight of crime and smuggling held in the Camaguey capital for 2 days.

The introduction of new techniques and the placement of personnel in ports, airports, and postal customs, prevented attempts of illegal departures; extraction of articles, works of art, and state property; and the introduction to the country of dollars and contraband merchandise in 1988. This national meeting resulted in an exchange of experiences and plans for systematic work and a more strict control in customs to guarantee and secure trade relations with the rest of the world.

General Closes Symposium on State Security

FL1103175889 Havana Tele-Rebelde Network in Spanish 1400 GMT 11 Mar 89

[Text] A symposium on the combative traditions of state security organs and their influence on the training of young officials ended at the Interior Ministry's Hermanos Martinez Tamayo higher institute of education.

For 2 days, the symposium participants debated several reports on the role of state security in defeating the mercenaries at Playa Giron, the struggle against bandits, and the elimination of counterrevolutionary organizations. In addition, a dialogue was held on police genre in Cuban literature, as well as a roundtable on the participation of special troops in the war for the liberation of Angola.

Upon closing the symposium, Division General Pascual Martinez Gil, vice interior minister, said that the young officers will be worthy of continuing the work of those men and women who comprised the state security organs during the first years of the revolution.

Journalists Plenary Meeting Inaugurated

FL1403220789 Havana Radio Reloj Network in Spanish 1511 GMT 14 Mar 89

[Text] Critical speeches on the role of the press, including the responsibilities and rights of journalism professionals, were made during the morning session of the fourth plenum of the Union of Cuban Journalists, UPEC. These discussions took place after UPEC Secretary General Julio Garcia Luis gave a speech inaugurating the forum which will conclude tonight in the Palace of Conventions.

Although the delegates are expected to discuss and approve the Basic Principles of Ethics in Cuban Journalism this afternoon, topics related to this document, such as criticism and its repercussions, were discussed this morning

Garcia Luis said that the journalists are displaying a firm, serene, and constructive attitude, and they are demonstrating a self-requirement to persevere and continue toward a journalism that is equal to the rectification process in Cuba.

Port Police Auxiliary Detachments Created

FL1303162589 Havana Tele-Rebelde Network in Spanish 1200 GMT 13 Mar 89

[Excerpts] A Havana Port police auxiliary detachment has been created during a solemn ceremony with the objective of preserving public order and fighting against criminal actions which still take place. One hundred and sixty of the town's men and women compose the Police Auxiliary Corps of the capital's port.

The banner-awarding ceremony took place at the square next to the commercial strip at Del Puerto Avenue. It was presided over by Lieutenant Colonel Ramon Lavado, chief of the western port police division. [video shows military ceremony] [passage omitted]

[Begin unidentified speaker recording] This type of activity is being held nation-wide. The port police has been created in the rest of the ports of the country in addition to the one in Havana. The detachments of auxiliary forces are being created to guarantee the same work being done in Havana. [end recording]

Camaguey To Host Moncada Barracks Main Ceremony
FL1403131289 Havana Tele-Rebelde Network in Spanish
1200 GMT 14 Mar 89

[Excerpt] The Communist Party of Cuba Central Committee Politburo has ratified its intention of holding in Camaguey the main ceremony marking the 36th anniversary of the assault to the Moncada Barracks in recognition of the extraordinary efforts made by the people of the province in the various economic and social sectors and in defense tasks. Also, the Politburo agreed to designate Ciego de Avila as cohost of the event because of the historic and geographic ties and the efforts made by the Ciego de Avila people in the last stage.

The top leadership of our party analyzed the significant results of the people from Camaguey in production and services and the increase of educational and cultural level of the people. All this has helped to raise the territory's quality of life and the revolutionary awareness of the masses. [passage omitted]

Use of Motor Pool Vehicle Regulations Explained
FL1003233389 Havana Radio Reloj Network in Spanish
2033 GMT 10 Mar 89

[Text] It was clarified during a meeting held at the Transportation Ministry in this capital today that cars and jeeps with red license plates need to be kept in a parking lot in coordination with the National Revolutionary Police. Transportation Vice Minister Roberto Orro Fernandez [as heard] told administrative, legal, and general service leaders of organizations and enterprises attending the meeting that route slips do not need to be filled out by people who have vehicles with special permits. He noted that special permits are only issued to the authorized enterprise official. The special permit allows for the car or jeep to stay overnight at the permit holder's home but it doe not allow for the transport of relatives or other people.

It was confirmed that beginning on 1 April, Decree No 148 will be in effect. This decree regulates the use of motor pool vehicles with red license plates. The decree specifies that those who violate it will be fined from 20 to 100 pesos according to the violation.

The decree says that if a motor pool car is spotted at beaches, cabarets, restaurants, clubs, or other similar centers, and it is shown that this constitutes a privilege, waste of resources, or the attainment of personal benefits, action will be taken. First, the vehicle will be retained. Second, it will be kept in a place to be determined. Third, the chief or leader of the organization to which the automobile or jeep was assigned will be informed of the violation. The vehicle will not be returned until the leadership of the organization dismisses or releases the violator from his work position.

12 Million Pesos Missing From Havana Enterprise
FL1403015089 Havana Radio Rebelde Network in Spanish 0020 GMT 14 Mar 89

[Commentary by (Camilo Hegana) during "Exclusivo" program—live]

[Text] Some of our compatriots could perfectly write the best paper on carelessness, the maximum expression of negligence. One of these authors could write about at least seven agricultural-livestock enterprises that I know of.

An audit conducted at the provincial distribution and commercialization enterprise of agricultural-livestock products in Havana has detected—and I will only list the most blatant infractions—a total lack of control over incoming and outgoing merchandise; the existence of accommodating inventories which were, on some occasions, false; and the absence of attention to missing resources. No one at this Havana enterprise can outright explain where the missing 12 million pesos are. The audit revealed the careless manner in which one administrator replaced another without even taking an inventory. That is why, among other reasons, no one knows the fate of those missing 12 million pesos.

The information I have available to me, however, does not indicate how long this has been going on in that enterprise. However, friends, one can be certain that this has been going on for a considerable time because 12 million pesos do not just evaporate like water does at 100 degrees.

If we were to follow the normal procedure, we would end this commentary with something like: another inexplicable case of lack of control. The certain thing though, comrades, the terribly certain thing is that the only thing that can be said in view of such unfortunate circumstances is that what has happened in this enterprise is another case of negligence, a lack of willpower, and criminal measures, which are inexcusable and, at this level of the revolutionary process, are frankly intolerable.

Good evening and good luck.

* Commentaries Address Criticism, Discontent

* 'Solutions,' Not Criticism

32480087 Havana BOHEMIA in Spanish
6 Jan 89 p 20

[Commentary by Vinas Alfonso]

[Text] By the time this issue of BOHEMIA is on the newsstands, the 30th anniversary of the popular triumph that changed the destiny of the Cuban nation will already have passed. Anniversaries are always a good opportunity to reassess and reflect; they are also a good time to look at the future. The last few months have not exactly been a bonanza; difficulties of various sorts have made their presence known, three decades after that victorious January. And, to be sure, there have been and will continue to be real short- and medium-term difficulties. We do not have a magic wand to provide rapid, efficient, and satisfactory solutions for all the problems of modern Cuban society. Such an ideal state of affairs, such a problem-free paradise, does not exist anywhere on the planet. And on the basis of that concept, we can continue meditating and taking things step by step.

Now, I know many of you are thinking, "Bah! We've been working hard for 30 years, and, for example, the buses are worse than ever." Or "I've been looking for a fluorescent light tube for my house for 3 months." Or you might say, "Restaurants and services are a disaster." And maybe others are thinking, "Bread is usually stale, or sometimes it is like molasses." "How many times have bakers been criticized, and how many times will they continue to be criticized?" At this rate, we will keep adding beads to our "rosary of calamities."

I would like to call attention to two trends that in my opinion are turning us into an ideological termite. And there are many citizens of this country who have literally built their thoughts on pillars that in the long run yield no positive results. First point: complaints without suggestions...and much less without solutions. Second point: the "transfer" of responsibilities. And mind you, I'm not claiming to have discovered anything new.

In one way or another, these ideas have been expressed before by leaders and journalists in the country. The important thing, of course, is not bringing the matter to light; in this case, the essential thing would be to inspire people to rethink their ideas and direct them through more proper channels, to eliminate these "erroneous zones."

Two couples were conversing in my home recently at a little family gathering. Ninety percent of the conversation involved complaints of the widest variety. No one spoke about what he was doing in his specific social functions to improve quality or eradicate deficiencies in his work area. There is a strong tendency toward "one-upmanship," in which people trade complaints, and their whining stops short of any analysis of the issue, much less other specific actions in the healthiest areas of influence. The first and second points are linked together, and they complement each other.

To cite an example, there are some who speak of an upsurge in crime, but they always manage to get out of doing guard duty in the Committees for the Defense of the Revolution (CDR). Or they say that community services are abominable, and yet they are the same ones who diligently strive to turn their block into a first-class dung heap, dumping on the corner all the garbage their families generate.

Parasitic vices such as false analogies, absolute and categorical generalizations, and superficial, simplistic judgments could be grist for other articles. Along with successes and failures, during these 30 years of revolutionary process we have gained very valuable experiences in all areas. A smug attitude that was resistant to criticism took root like a weed in the minds of many administrative officials, and even political leaders. Fortunately, this attitude is now disappearing, though not as quickly as we might wish. Today we are much more mature; we have the indispensable basic resources we need to guarantee a gradual economic development that will give us an ease and comfort we do not enjoy today. Ideas related to efficiency, strict standards, high productivity, organization, labor discipline, and many other positive factors that are of unquestionable necessity for our systematic advancement are growing stronger every day. It is a question of seeing how efficient we are, to a larger and larger degree, of verifying how organized and disciplined we are. It is a question of making sure—all of us—that not an atom of raw materials is wasted, and that service is not allowed to deteriorate due to the sloth and indifference of a few.

The process of rectifying errors and negative tendencies has proven itself to be correct. And its achievements can already be seen in various spheres. If correcting oneself is a sign of wisdom, as the saying goes, we are are nation on the road to wisdom.

* Limitations on Consumption

32480087 Havana BOHEMIA in Spanish
6 Jan 89 p 51

[Text] The vestiges of underdevelopment cannot be eradicated overnight. Often we can look to them to explain why tendencies that run counter to our social interests or are incompatible with our principles persist or arise, even though Cuban society has been transformed irreversibly, and even though a moral climate has been created to encourage the widespread development of lofty qualities such as collectivism, altruism, solidarity, dutifulness, and a love of work.

Nor can we overlook the fact that the geographic proximity of the United States increases the effectiveness of its efforts at distortion through radio broadcasts and other means. The imperialists' propaganda centers are

constantly promoting individualist stereotypes and false opportunities for consumption that stimulate people's desires. Such desires cannot be included among the current priorities of planned development, and in fact encourage models of presumed well-being that are simply irrational.

There are legitimate consumption aspirations that cannot yet be satisfied, and an explanation is required as to the limitations that our country has realistically imposed on itself for the sake of its development. In addition, there are other limitations caused by the lack of strictness and control on the part of management and the low realization of our productive potential, and the consequences of the criminal economic blockade that the United States maintains against Cuba. Because of this blockade, even medications are denied us (...) As the forces of production, the level of economic efficiency, and the consciousness and education of individuals continue to develop, the new society that we are building will be able to gradually eliminate these adverse factors.

Hence the error of attributing a necessarily political motive to all antisocial behavior. In response to such behavior, we must continue encouraging the social repudiation of violations of the norms of coexistence, and the conscientious and efficient enforcement of the law as well as the increased influence of education among the sectors of the population that are susceptible to such behavior.

*** Teen Concerns Reflected in Music, Film**

*** Film Festival Themes Viewed**

32480090 Havana JUVENTUD REBELDE in Spanish 13 Feb 89 p 5

[Commentary by Soledad Cruz]

[Text] Whether their hair is long or short, whether they are anxious or carefree, the youngest audiovisual creators showed at the recent 2nd Exhibition of Youth Cinema that they are earning the right to express themselves on our TV and on the country's movie theater circuit.

The 38 films shown at the Hall of Beaux Artes, while of uneven quality, showed exciting signs of an audiovisual perspective that is striving to find its own mode of expression.

The exhibition had a little of everything: news reports on achievements in production, documentaries on events and individuals of historic value, musicals, and works of fiction. The films also showed a diversity of form, ranging from the visual fantasy of "Ritual" to the use of humor in "Tonel," the mimicry in "Sonar una misma verdad" [Dreaming of the Same Truth], the informative presentation of "Y aqui estoy" [And Here I Am], and the attempt to rewrite history from a more suggestive point of view in "Puertas a Jose Luis" [Looking into Jose Luis].

Personally, I was very comfortable watching everything pass before my eyes, without allowing myself to be taken over by the old ways that are fighting for survival while their replacements are in gestation. From my point of view, the most important thing in the area of creativity is that we are witnessing, as one could reasonably expect, the development of a new way of doing things that will be established as the imperative of our times.

It was in this context that a series of informative programs produced by students at the International School of Film and Television of San Antonio de los Banos was included in the exhibition. The programs struck the audience as very bold, because they take a look at aspects of our reality that are usually not dealt with, since they are problems that affect only a minority or issues the mere mention of which may wound popular sensibilities.

These are issues related to homosexuality, the cultural characteristics of ethnic groups that are part of our nationality, and the perspective of Cuban society when succeeding generations face the challenge of preserving the legacy of the historic generation, among others.

I think it is appropriate to discuss these elements of the showing, because it was not secret or clandestine. Moreover, I believe that we should get used to the idea of not having taboo issues without expanding on and giving priority to ideas and contradictions whose solution does not depend on the country's political will, but on specific cultural traits and individual peculiarities that exist in any society, regardless of other traits that may prevail among the majority.

A documentary on homosexuality in our country takes aim, whether intentionally or not, at the disinformation campaign on the treatment that is accorded people of this persuasion in our society. Unlike the United States, Cuba has no legal basis for discrimination against homosexuals, although for very deep-rooted cultural reasons there is a popular rejection of them, as there is in so many other countries in the world.

Another product of the San Antonio school, on the possibilities for continuing the line of the revolution, was done in the form of an open survey. It confirms the infinite love that the most diverse people feel for Fidel, and the certainty that we will remain true to his legacy.

A report on the Belen district in Old Havana focuses on demonstrating that the lifestyle and people in that area preserve certain characteristics of self-exclusion.

Thus, in the series of programs produced at the San Antonio school, one could discern both objectivity and bias about things that we do not usually show with the

sharp eye often characteristic of those who are not immersed in the multiplicity of reality, and therefore do not have a deep understanding of our reality.

I am sure that from the point of view of our young creators, many of these themes could be dealt with more broadly and more in keeping with the essence of our society, although it seemed to me that this confrontation with the students of San Antonio was useful, if for no other reason than because it served to sharpen the sensitivity of our young creators to the rich multiplicity of our surroundings.

I hope, however, that the interest in delving into problems does not blur their vision when it comes time to clearly assess the genuine virtues that prove every day that our society is not staying still, and that despite assertions to the contrary, it is moving and progressing.

* English-Language Music

32480090 Havana JUVENTUD REBELDE in Spanish 7 Feb 89 p 8

[Commentary by Soledad Cruz]

[Excerpt] Several students at the Victor Escalona Benitez Preuniversity Institute in the Countryside (IPUEC) No 7 in Holguin have written to the "Through the Eye of a Needle" column to ask whether there really is a provision prohibiting the broadcast of music sung in English at educational centers.

They explain their question this way: "The administration has suspended English songs several times. We fail to see the logic in this measure. English is an international language that is studied in this country, and people sing in English on the radio and TV. They tell us that what we are is ideologically deviant because we like that language and speak it with the teachers who know it."

The pre-university students continue to explain their arguments: "We don't think any kind of music can divert us from revolutionary truth. Someone who is truly revolutionary cannot have his ideas destroyed by one kind of music or another."

I really don't think the Ministry of Education has any regulation of this sort. If there is one, I hope they tell us. I don't think there is such a prohibition, because brotherly Third World peoples with whom we need to communicate also speak English. That is why English- and French-speaking countries of the Americas are allowed to compete for important prizes in this region.

It may be that in the interest of encouraging students to learn more about Cuban and Latin American music, some school principal has made this decision with the best of intentions; but as the students of Holguin have pointed out so well, the radio and TV broadcast music in that language, which is considered international because of its widespread use in the world.

The fact that this language is so commonly used is related to the predominance of the American imperialists in business and financial transactions, after they overtook the British empire, which was once strong itself. But this fact does not cause particular ideological problems for the language itself, which is also the mother tongue of many proletarians, beginning with the first ones in England who served as subjects for the studies of Marx and Engels, the founders of Marxism. [passage omitted]

Antigua and Barbuda

Party Chairman Wants Election Laws Reviewed

FL1003190689 Bridgetown CANA in English 1831 GMT 10 Mar 89

[Text] St Johns, Antigua, March 10, CANA—Chairman of the Antigua Labour Party (ALP), Lester Bird, has called for a full review of all election laws and procedures because of problems that marred Thursday's general election here.

Bird described as "unfortunate" and "unnecessary" hardships voters had to endure in exercising their right to vote and criticized the supervisor of elections Keithley Hill. He is also recommending "the institution of a training programme for all election officers on the conduct of elections and proper methods for solving discrepancies."

Another proposal is for the complete updating and automation of all election day procedures and communications.

"The ALP is deeply committed to assuring that the voice of the people be heard fairly. It was a sad day but not a dark day for democracy in Antigua and Barbuda," the statement said.

Some polling stations were forced to extend voting Thrusday because ballot papers contained errors and had to be reprinted.

The ALP won 15 of the 17 seats at stake.

Meanwhile, the opposition United National Democratic Party (UNDP) is undecided about whether it will be challenging the decisions of the election in court.

The party leadership was meeting today following which a statement will be used.

However, the supervisor of elections has described the electoral process as "free and fair. I think the elections were just and fair. There was no semblence of violence anywhere in all divisions and poll stations and everything seemed quite in order," Hill said. "People were orderly except when the ballot papers were short. They wanted to know why and rightly so," he added.

The government was late in delivering ballot papers to two constituencies and when they finally arrived they were found to have contained errors which had to be corrected. This in turn led to slow down in production of ballot papers for eight other constituencies.

One seat was captured by the United National Democratic Party's deputy political leader, Baldwin Spencer, a trade unionist.

The UNDP attributed the landslide result to a halt in voting at some stations and also suggested this was engineered by the ALP.

Bird had denied any ALP collusion in Thursday's incident saying the shortage of ballot papers would have affected the candidates of all parties equally and could not benefit the ALP.

Prime Minister Says No Split in Ruling Party
FL1303171489 Bridgetown CANA in English
1640 GMT 13 Mar 89

[Text] St Johns, Antigua, March 13, CANA—Prime Minister Vere Bird Sr, whose Antigua Labour Party [ALP] romped home with 15 of the 17 seats in last Thursday's general elections, says he is "not aware of any trouble to cause any" split in the ALP ranks.

Speaking to reporters, Bird, 78, said the issue of conflicts which have dogged the ALP for the last few years, was one he had tackled during the election campaign.

"I had to answer the question all the time and to assure them that I (am) going to make sure that there is peace and harmony within the party and within the leadership," Bird added. "I'm not aware of any cause for trouble among the men. I hope and trust we will all put the interest of Antigua first and make sure we do not continue this bickering among members of the cabinet and the government," the prime minister said.

Allegations of wrongdoing within the ALP have in the past shown the party to be split into two factions. Commenting on the paucity of the opposition numbers in Parliament, the veteran Bird said the situation is not new to him. "I ran Antigua for 21 years without any opposition..." Bird remarked.

"I want to assure the people of Antigua that provided they stand by the men of labour we shall give them justice and they shall see to it that this party, without any oppoeprosperity [as received]...that they have grown to expect," he added. "Opposition make more trouble than anything," the Bird contended.

Opposition Complains of 'Election Offenses'
FL1303232589 Bridgetown CANA in English
2055 GMT 13 Mar 89

[Text] St Johns, Antigua, March 13, CANA—Leader of the opposition United National Democratic Party (UNDP) Dr Ivor Heath has issued a statement here listing what he says was a series of "election offences committed by activists and agents" of the victorious Antigua Labour Party (ALP) last Thrusday. The polling day offences, he said, included "election bribery, the use of loudspeakers and campaign vehicles by ALP candidates, and active canvassing and intimidation of voters at polling stations."

Heath, whose party secured one of the 17 seats to the ALP's 15 in the March 9 election, said voters were harassed by "influential members of the Arab community..." one of whom he said was "cautioned" by an on-duty police inspector.

"Senior civil servants and party activists stationed themselves at strategic points in the immediate vicinity of various polling stations and proceeded to exert their influence on persons approaching the stations to cast their vote," Heath complained. "Voters were summoned to the activists table, fed from food kept for the purpose and urged to vote for ...(the ALP candidate)" he added. "This behavior clearly constituted a corrupt practice and constituted an offence under the provisions of the Representation of the People Act," the UNDP leader remarked.

Labor Party Denies Complaints
FL1403232089 Bridgetown CANA in English
2253 GMT 14 Mar 89

[Text] St Johns, Antigua, March 14, CANA—The ruling Antigua Labour Party [ALP] has denied any link to hitches that marred last Thursday's general elections here and Deputy Prime Minister Lester Bird urged a full investigation into the matter.

"We believe strongly that there has to be an inquiry into this matter. I can assure you that there are many of us (ministers) in the government now who will be urging upon the prime minister (Vere Bird, Sr) to ensure that such an investigation takes place," Bird told reporters.

The election process was plagued by a late start of voting at some polling stations and a shortage of ballot papers later on. It was reported that some polling stations lost upward of five hours in polling time which prompted the supervisor of election, Keithly Hill, to make an application to the high court for an extension of voting hours in 10 of the 17 constituencies.

The opposition United National Democratic Party [UNDP] has said it will be challenging the judge's ruling to extend the voting time and filing election writs of invalidation in at least seven of the affected constituencies.

Commenting on the UNDP's decision, Bird said, "I think it is nonsense to say that the elections were fraudulent but one expects that kind of thing from an opposition that has just been overwhelmingly defeated in a general election.

"The question as to whether or not the balloting substantially affected the outcome of the results is a matter to be determined by an election court. If they believe they have a case then clearly they have the right to do so."

"Your position as the labour party is that the ballot papers did not affect substantially the numbers of voters that went out to vote in the relevant constituencies and accordingly the judge was practical in the way he extended the hours," Bird remarked.

"Clearly the government was not involved in any conspiracy perceived or otherwise with the supervisor of elections," the ALP's chairman added.

Bird said the supervisor of the election described the problem as being "technical" and added, "it cannot be equated by any means with fraudulence." He said he was confident that the court will find the elections were free and fair and the ALP was not involved in any kind of fraudulent activities.

Twin Island Nation's New Cabinet Sworn In

FL1303192589 Bridgetown CANA in English 1918 GMT 13 Mar 89

[Text] St Johns, Antigua, March 13, CANA—The remainder of Antigua and Barbuda's new 14-member Cabinet, appointed following the landslide win by the Antigua Labour Party (ALP) in last Thursday's general elections, was sworn-in Monday at Government House in St Johns. This followed Sunday's swearing in of ALP leader Vere Bird Sr as prime minister.

The full cabinet:
Vere Bird Sr - prime minister;
Lester Bird - deputy prime minister, minister of foreign affairs, economic development, trade, tourism, energy;
Keith Forde - attorney general, minister of legal affairs;
John St Luce - minister of finance;
Reuben Harris - minister of education, culture, youth affairs;
Adolphous Freeland - minister of health and labour;
Christopher Omarde - minister of home affairs;
Robin Yearwood - minister of public utilities and aviation;
Hilroy Humphreys - minister of agriculture, lands, fisheries, and housing;
Vere Bird Jr - minister of public works and communications;
Hugh Marshall - minister without portfolio;
Senator Donald Sheppard - minister without portfolio;
Eustace Cochrane - minister without portfolio;
Henderson Simon - minister without portfolio;
Mowlyn Joseph - minister without portfolio.

Barbados

Queen Elizabeth II Visits With School Children

FL1003223289 Bridgetown CANA in English 2001 GMT 10 Mar 89

[By Vashty Maharaj]

[Text] Bridgetown, Barbados, March 10, CANA—Queen Elizabeth II brought some extra life, colour and pageantry Friday to the Husbands residential area on the Barbados West Coast, as hundreds of school children assembled to perform for the visiting British monarch.

The occasion was a ceremony to mark the laying of the foundation stone for the new home of the prestigious Queen's College, now more than 100 years old.

Cooling breezes helped offset the effects of a blazing sun as the queen, wearing a turquoise and white ensemble, arrived with her husband, Prince Philip, to cheers from a small crowd from the area.

More than 20 of the 1400-odd students assembled for the open air function from schools across the island, however succumbed to the blistering heat and dust carried by the winds and had to be taken to the shade and revived.

The queen, on the second to last day of her three-day official visit to Barbados, was treated to a short cultural performance by the secondary school pupils and presented with an embroidered school crest by Queen's College Principal Colleen Winter-Brathwaite.

Ms Winter-Brathwaite told the press afterwards that it was a "great morning" which should help kill the myth that the school, for years located in the capital, Bridgetown, would lose much of its tradition with the move to the Husbands area.

Three loud and lusty cheers were raised for the royal couple by headboy Tyrone Bowen and headgirl Nicole Clarke of Queens College, and the visitors were presented with a bouquet and buttonhole by 11-year-old first-formers Melissa Shepherd and Pierre Drayton.

The Queen, responding to brief welcoming comments from Education Minister Cyril Walker, said that those long associated with this secondary school would miss the original college premises.

But she added: "Affection for old things must not blind us to the opportunities offered by the new. The formidable reputation of the school has been built on long-standing traditions of excellence, outstanding achievements, and an ability to adjust to new experiences. I am sure that you will bring these qualities with you to the new premises.

"In a world which is becoming all the time more and more interdependent, the knowledge and skills which you acquire here will give the best return only if they are reinforced by a desire to serve others."

In this respect, she said, Barbados had set a good example for the rest of the world.

"Its members belong to different cultures, climates, beliefs and ideals, but we have seized onto the essential idea of working together for the common good, and we have the unique advantage of feeling at home wherever we may go within the Commonwealth," she said.

With the ceremony over the children got a rare opportunity to speak to the queen and Duke of Edinburgh, as they mingled with the students before departing for the next stop of their busy itinerary.

The new Queens College facilities under construction are expected to cost some Bds11 million dollars (1 Bds dol; 50 cents U.S), with some 32 classrooms and other facilities to house over 800 students. It is a coeducational school.

A total of Bds90 million dollars is being spent by Barbados Government on a project to improve the quality and cost effectiveness of secondary education here. The project is being jointly funded by the government, the Inter-American Development Bank and the World Bank.

Queen, Prince Philip Depart

FL1103184989 Bridgetown CANA in English
1606 GMT 11 Mar 89

[Text] Bridgetown, Barbados, March 11, CANA—Britain's Queen Elizabeth II left Barbados at around 1030 hours (local time) Saturday after a four day official visit.

Wearing a cheery red and white outfit with matching red hat, the queen departed aboard the British Airways Concorde flight after a brief ceremony where she received a royal salute and bade good-bye to Governor General Sir Hugh Springer, Prime Minister Erskine Sandiford, and other officials.

The queen also said good-bye to her husband Prince Philip, Duke of Edinburgh, who left shortly after, aboard another aircraft, for Bermuda to take part in the Duke of Edinburgh Awards scheme on that island. He will later fly to Canada.

During her short stay here, the queen visited parliament, marking its 350th anniversary, and delivered a brief address noting that such a celebration was "sure grounds for pride". She also laid the foundation stone for a new building to house students of the prestigious Queens College, established in 91833, invested two persons as knights of St Andrew, received members of the media at a special reception, and was treated to a cultural performance on Friday night.

The queen generally received a warm welcome from the people of Barbados.

CBU Satellite Coverage Breaks New Ground

FL1003224589 Bridgetown CANA in English
2154 GMT 10 Mar 89

[Text] Bridgetown, Barbados, March 10, CANA—The Barbados-based Caribbean Broadcasting Union (CBU), working with Visnews, the World TV news agency, this week broke new ground when they linked up to provide international coverage of the current three-day official visit here by Britain's Queen Elizabeth II—and beat the London competition. The satellite coverage was beamed to Visnews headquarters in Britain.

The CBU said Friday that, working with the local state-run TV system, the Caribbean Broadcasting Corporation (CBC), it had produced stories on the Queen's arrival Wednesday, her visit to Parliament Thursday, the laying of the foundation stone for the new Queens College building, and the Duke of Edinburgh Awards presentation Friday.

CBU said that it got its material to clients around the world more than two hours earlier than the British Broadcasting Corporation (BBC) and the Independent Television News (ITN), which had crews in Barbados covering the visit.

Regional TV stations also got same-day stories from Caribvision, the CBU's Caribbean Television News change system.

CBU said it intends to produce a feature on the royal visit for its weekly magazine programme, Caribscope, which goes to 19 TV stations in 17 Caribbean countries.

Sandiford Reports Success in Eliminating Deficit

FL1403225089 Bridgetown CANA in English
2238 GMT 14 Mar 89

[Text] Bridgetown, Barbados, March 14, CANA—Barbados Prime Minister Erskine Sandiford reported government success in eliminating the deficit on current account and gaining a small surplus on capital spending at the start this week of parliamentary debate on the 1989 estimates of spending and revenue. Sandiford described government's financial year 1988-89 as one of

moderate success, and he added that with public finances on track now was not the time for unnecessary gambling with national finances.

But opposition leader Dr Richie Haynes called for the estimates to be withdrawn, claiming they were the worst conceived in the country's financial history and would require additional supplementaries during the year.

Sandiford said government had had to exercise considerable restraint and prudence, "ever mindful of the need to keep expenditures at a sustainable level." He added that current revenue reached 683.1 million dollars and increased by 131.8 million or 23.7 percent up to the end of January compared with the same period of the previous financial year.

"Current expenditure up to that date was 673.9 million dollars, an increase of 11.34 million dollars or 1.74 percent," he said. "Up to the end of January, 1989, the deficit on current account had been eliminated, and there was a small surplus of 9.02 million dollars achieved by that date on capital spending," the prime minister remarked Monday. "To those who say we should be controlling deficits and keep close watch on expenditures, we have met the requirement to live within our means," he said.

Haynes said the increases contained in the estimates had to be looked at in terms of percentages as well as dollars since there were no drastic changes in the welfare of the people of Barbados for the better. He asked whether Barbados was about to take the same route as economically-troubled Trinidad and Tobago and Jamaica, saying this seemed inevitable based on excessive expenditures. Haynes said the type of expenditure proposed by the Barbados Government would be counter-productive and government would have to appropriate too large a section of the "economic cake" while not allowing for job generation.

International Fiscal Association Branch To Open

FL1403231189 Bridgetown CANA in English 2247 GMT 14 Mar 89

[Text] Bridgetown, Barbados, March 14, CANA—The International Fiscal Association [IFA] an avowed "political" group but one which has undoubtedly influenced international fiscal measures since its formation in 1938, may find itself forced to encourage the dismantling of any barriers created by a unified Europe in 1992, according to President Richard Hammer.

Hammer, visiting Barbados for the inauguration of the local chapter of IFA, noted that as far as the association was concerned, 1992 and the U.S./Canada trade pact were political issues with which they did not get involved, but if those agreements facilitated free trade then IFA would be in favour.

"If, as I fear, there are some obstacles built between Europe and the United States and Japan and other countries, then I think IFA would be behooved to take a role in promoting the dismantlement of such barriers," Hammer, a partner in the Price Waterhouse accounting firm in New York and head of its international taxation practices, said, adding that he was speaking personally and not as IFA head.

IFA has 7,000 members in more than 55 countries around the world and Barbados will be its only Caribbean branch. It is mainly an educational agency to provide a forum for studying international taxation laws as a means of eliminating tax barriers to trade and investment around the world, Hammer said, noting that it would allow persons involved in cross-border trade to know how their international counterparts were operating their own tax, fiscal, or trading concepts. Its members include government officials, academicians, businessmen, taxpayers and their advisers.

Hammer said the Barbados branch was being launched because the country was becoming an "increasing player in the international fiscal scene" with the development of its offshore industries, and it was thus important that taxpayers, advisers, and the business community have access to a forum for dialogue. He said the country could also learn from its counterparts how to rectify, amend, make their taxation laws more beneficial, more benign, more favourable to the business community."

Colin Brewer, a local partner in Price Waterhouse said with the development of the offshore industry here a centre for debate was needed where government persons responsible for the development and implementation of policy could meet with the people practicing the laws who could provide feedback on the matter.

Thirty to 40 persons from the business community, the Finance Ministry, the Central Bank, and other institutions are expected to take part in the inaugural meeting on Thursday where a constitution will be adopted and officers elected. Guests from Trinidad and Tobago are expected to be present at the meeting as part of IFA's plan that the Barbados branch should develop into a Caribbean-wide branch.

Dominican Republic

Agreement Ends San Francisco de Macoris Strike

FL1103143089 Santo Domingo Radio Mil Network in Spanish 1215 GMT 11 Mar 89

[Text] San Francisco de Macoris—The strike that began last Tuesday [7 March] and which affected several neighborhoods in San Francisco de Macoris ended yesterday afternoon after a marathon meeting with government officials. The strike, which affected the poor neighborhoods of San Francisco de Macoris, was lifted after the government committed itself to improve public services in this area.

After an agreement was signed, the delegation of authorities—headed by deputy secretary of the Presidency, Cristobal Marte—moved to (Cimentel) Municipality where they talked to area residents about lifting the strike that affected that community. The agreement between government representatives and the coordinator of the People's Struggle was reached after 5 hours of talks in the local city hall. The talks were mediated by Bishop Jesus Maria Moya. The accord that ended the strike in the poor neighborhoods of San Francisco de Macoris allows for the installation of a sewer system in the areas of Francisco Alberto Caamano, Ventura Grunon, San Geronimo, and San Pedro. It also allows for the repair of streets in the neighborhoods of (Erecida Pepin), Madrigal, San Pedro, and other areas. The document also agrees to end the persecution of the residents in the (Caamano Denon).

In addition to deputy secretary Marte, Provisional Governor Mrs Violeta Martinez de Ortega and Mayor Eliseo Candelario Alvarez also participated in the talks to find a solution to the strike. The talks were also attended by government representatives, Reformist [Reformist-Socialist Christian Party, PRSC] deputies Mario Antigua and (Rafael Rosario Caram), as well as Mr (Miguel Panta Leon), leader of the PRSC, and Jose Aramis. Luis Abreu, represented the coordinator of the People's Struggle.

Grenada

U.S., Greek Citizens Expelled From Island

FL1103185989 Bridgetown CANA in English 1837 GMT 11 Mar 89

[Text] St George's, Grenada, March 11, CANA—The authorities in Grenada have told three Americans and a Greek who arrived here on Wednesday to take part in activities planned by a small leftwing party to leave the island, security sources reported. The Americans were identified as Stephen Clarke and Marilyn Farber of New York, and Augustin Nimitz of Minneapolis.

The Greek was said to be the U.S.-based Malapanis Argyros.

The four came here to take part in activities planned by the leftist Maurice Bishop Patriotic Movement [MBPM]—the anniversary of the 1979 Grenada revolution.

The security sources said while the government did not mind foreigners visiting the country, it was against their taking part in political activities and interfering in the internal affairs of the country.

Meanwhile, customs officials have confiscated a number of books sent into the country by LMiat's Quick-Pac service to MBPM leader Dr Terry Marryshow. The books include: Cuba for Beginners; War and Crisis in the America's by Cuban leader Fidel Castro; Nicaragua—the Sandanista People's Revolution; and the Revolution Betrayed by Leon Trotsky.

Officials have said that the books would be investigated by law enforcement officers to see whether they contravene the laws of the island. One official indicated that government has often maintained that it has a sovereign responsibility to protect its nationals against "certain negative ideas and ideology and has no intention of reneging on that responsibility". "The books would most likely be treated the same way like the previous set", he said.

The government recently sent back a number of books sent to the MBPM by the U.S.-based Pathfinders Company.

MBPM Criticizes Government

FL1403130489 Bridgetown CANA in English 0127 GMT 14 Mar 89

[Text] St George's, Grenada, March 13, CANA—The leftist Maurice Bishop Patriotic Movement (MBPM) has criticized the Grenada Government for preventing several foreigners from attending a three-day MBPM conference which opened here at the weekend. The Grenada authorities ordered four visitors invited by the MBPM—three Americans and one Greek national resident in the United States—to leave here by March 11, the day the conference was scheduled to open.

MBPM leader Terry Marryshow, a Cuban-trained medical doctor, described the government's action as high-handed and backward. Government officials have maintained that no "foreign guest" will be allowed entry into Grenada to take part in the conference, because they regard it as interference in the island's internal political affairs.

The conference, which ended Monday, was called to review the 1979 Grenada revolution, which collapsed nearly six years ago when U.S. troops invaded the island to restore order after Prime Minister Maurice Bishop was killed in a bloody coup.

According to Marryshow, there is nothing secretive about the conference, since the MBPM had in fact invited both the ruling party and other opposition groups on the island to take part.

Marryshow's MBPM is a splinter group of Bishop's marxist-oriented New Jewel Movement (NJM), which overthrew the Eric Gairy government in 1979 to stage the first coup detat in the English-speaking Caribbean.

One of the Americans asked to leave, the director of the New York-based Pathfinder Publishing Company, Stephen Clarke, chided the U.S. Embassy here for not sufficiently pressing the Grenada Government to reverse

its decision. He felt that if the embassy had intervened in a "vigorous way" the Herbert Blaize government would have responded quickly, since it owes its existence to "U.S. military power."

The MBPM leader also spoke out against Wednesday's seizure by customs officials at the a [as received] of another consignment of mostly leftwing Pathfinder literature being brought in the for the MBPM. He said the books cannot be described as subversive literature.

Among those known to have been confiscated are: Cuba for Beginners, Fidel Castro's Crisis in the Americas, and The Sandanista People's Revolution.

Last October, government seized a number of books sent to the MBPM by Pathfinder on the grounds that they were subversive literature.

Leftist Parties Protest Visit of U.S. Warship

FL1503015489 Bridgetown CANA in English 0000 GMT 15 Mar 89

[Text] St George's, Grenada, March 14, CANA—Two small leftist political parties in Grenada and Trinidad and Tobago have protested against the three-day visit here of an American warship, the USS Harlan County. The leftist Maruice Bishop Patriotic Movement (MBPM) of Grenada and the February 18th Movement voiced concern during meetings here this week of Caribbean leftists.

MBPM leader Dr Terry Marryshow told reporters Tuesday that the party regards the visit as another attempt to continue the militarization of the Caribbean. He said the MBPM would continue to struggle for the Caribbean to be declared a zone of peace and for warships to keep away from "our waters as well".

Leader of Trinidad and Tobago's February 18th Movement, Dr James Millette, said the visit of the ship represents the continuing presence of U.S. imperalism in Grenada.

Haiti

Avril Announces Constitution Back in Force

FL1403114989 Bonaire Trans World Radio in English 1130 GMT 14 Mar 89

[Text] Haiti's military Government has restored the country's Constitution. Military leader Prosper Avril announced in a speech yesterday that the Constitution is back in force. It had been approved by Haitian voters in March 1987. Haitian opposition leaders have welcomed the move. The announcement came 1 day before the U.S. Congress was due to hold hearings on Haiti. The United States has suspended most aid to Haiti until the government makes moves toward democracy.

APN Press Conference Denies KID Accusations

FL1303172589 Port-au-Prince Radio Nationale in Creole 1400 GMT 9 Mar 89

[Excerpts] Following accusations made by the Confederation for Democratic Unity, KID, against HAITI-PROGRES [a periodical edited in New York City by Ben Dupuy] and the members of the ANP [People's National Assembly], the APN held a press conference yesterday morning to formally deny all the accusations made against them. The real problem—explained the APN's Francois Pierre-Louis—lies at the ideological level. [passage omitted]

Also, the APN-affiliated Milot Peasants Movement is holding a congress next 15 and 16 April to sit down and discuss this problem of rural police agents ravaging the peasants in Milot. [passage omitted]

Party Leader on Possibility of Civil War

FL1303173289 Port-au-Prince Radio Nationale in Creole 1400 GMT 9 Mar 89

[Text] The Reverend Richard Vladimir Jeanty, president of the Haitian Party of God, or Paradis, during a visit to RTNH [National Radio and Television] yesterday, took advantage of the opportunity to address a message to the Haitian people. He spoke of the possiblity of a civil war in Haiti because of certain stormy declarations being made by certain political leaders in Haiti.

Jeanty appealed to the Haitian people to reconcile. He called on the people to be fully lucid, in order to be able to block the road to all such evildoers.

Rev Jeanty also proposed a plan for salvation, so as to get Haiti out of its current chaos. According to Jeanty, the nation's salvation lies in forgiveness. Without forgiveness, the country will continue to deteriorate. We will have you listen to an excerpt of what the leader said to us during the interview we had with him yesterday morning in the Complaints Room at RTNH.

[Begin Jeanty recording] Haiti, the time has come to wake up! Everyone who is pushing Haitians to hate—everyone who is sowing hatred among Haitians, who is pushing the Haitian people to take revenge—is being animated by the spirit of Satan, the devil.

Haitians, my brothers, only Satan could ask you to take revenge when God has said not to, has said that vengeance is His.

The current state of crisis in Haiti is critical. There are problems everywhere. The country is hungry. Times are bad. It is normal for all administrations to be experiencing difficulties.

There are a number of wicked people who are using any little old thing that occurs to increase hatred, to build a spirit of vengeance, so that they can lead the country to civil war. Those people don't know that they will be the first to fall into the hole that they are digging.

I read in a magazine [preceding word in English] a leader saying that if he were to take power today at 1700, by tomorrow at 1700 there would not be a single macoute left in Haiti. My God! What kind of a leader can say a thing like that? Especially since when you (?investigate) this leader, you discover that it is macoutes who made him, macoutes who are supporting him. He is the product of macoutism! He is full of the spirit of macoutism. [preceding two sentences in French] [end recording]

That was leader Rev Vladimir Jeanty, who was talking about the problems Haiti has been experiencing recently.

Land Conflict in Lower Artibonite Noted

FL1303173889 Port-au-Prince Radio Nationale in Creole 1400 GMT 9 Mar 89

[Excerpts] We will now see what is happening in the lower Artibonite more precisely, by getting the news from Saint-Marc. Our correspondent there, Rodrigue F. Sejour, informs us that the situation is extremely tense in (Preseau), second communal section of Marchande Dessalines, because of an ongoing land conflict. Here is Sejour with more details.

[Sejour] [Passage omitted] There was litigation between the (Zeldo) and (Douze) heirs over 25 carreaux [1 carreau = 1.29 hectares] of land. [passage omitted]

The (Douze) heirs declared that the decision was nonsense. They went onto the land armed with all kinds of weapons in order to prevent the (Zeldo) heirs from taking possession of the land, although the court authorized them to do so. [passage omitted]

Now this matter is once again current and threatens to be even worse than in 1985 if the Justice Department does not hasten to stop it.

This is Rodrigue F. Sejour for RTNH from the lower Artibonite Valley.

Jamaica

French Ambassador Denies Drug Connection

FL1103185089 Bridgetown CANA in English 1628 GMT 11 Mar 89

[Text] Kingston, Jamaica, March 11, CANA—The French Embassy in Kingston has said it was offended by a U.S. Customs allegation of drug smuggling in a diplomatic pouch that caused one of its staffers to be detained for nine hours in Miami Tuesday and triggered a diplomatic tiff between Paris and Washington.

"We are offended by the absolutely unfounded allegations," Ambassador Michel Reuillard told reporters here.

France protested Thursday over the incident in which U.S. customs officers detained and tried to search one of three diplomatic pouches for its Kingston Embassy, during an intransit stop in Miami. The French said that the pouch contained packages of visa stickers for passports, but U.S. Customs agents wanted to search it for cocaine after they were alerted by sniffer dogs.

However, the courier, who Reuillard declined to identify, and French consular officials in Miami declined to open the pouch, citing the Vienna Convention on the traffic of diplomatic mail. The impasse was ended in a decision to send the pouch back to Paris after negotiations between the State Department and French Foreign Ministry officials.

In Paris, the bag failed to arouse sniffer dogs and when it was opened before narcotics and diplomatic officials, only the listed material was found, Paris said Thursday. However, in Miami, U.S. Customs officials were contending differently.

"Two different drug detecting dogs reacted to the stuff, as well as x-rays that virtually showed the cocaine," U.S. Customs spokesman, Michael Sheehan claimed. "The only thing we didn't have was cocaine in our hands."

"We were accused. We are not guilty. It was unfounded," said Reuillard, who Friday presented the Jamaican foreign Ministry with the Paris statement on the matter and other relevant material. And he took exception to Jamaican newspaper protrayal of the incident as "French-Jamaica connection"—a reference to the book and movie on drug smuggling,"The French Connection".

"There is no French-Jamaica connection in this regard," Reuillard said.

In Paris, the Foreign Ministry said Thursday that the U.S. Customs action in detaining the pouch was "unacceptable" and described the leaking of the issue to the press as "extremely shocking." The ministry said that it hoped its clarification of the issue "will put to an end this ridiculous incident, provoked by the faulty smell of the sniffing dogs in Miami and the zeal of customs convinced that diplomatic conventions robbed them of a good catch."

Manley Needs Time To Adjust Country's Economy

FL1003164189 Bonaire Trans World Radio in English 1130 GMT 10 Mar 89

[Text] Jamaican Prime Minister Michael Manley says he is confident international lending agencies will give his government time to adjust the country's economy.

He cited the difficulties inherited from his predecessor, Edward Seaga, in a speech to the private sector organization on Wednesday. He did not respond to charges by opposition leader Seaga that Jamaica will have to devaluate its currency. Mr Seaga says the devaluation will have to occur, because Jamaica will miss a March 31 test he negotiated with the International Monetary Fund. It appears Mr Manley is negotiating a new timetable with the fund. He has also been in contact with representatives of the other lending agencies.

Prime Minister Names Seven Economic Advisors

FL1303163689 Bridgetown CANA in English
1920 GMT 11 Mar 89

[Text] Kingston, Jamaica, March 11, CANA—Prime Minister Michael Manley has named his seven economic wise men, but said that only six will begin serving him until the courts rule on the propriety of the business dealing of the seventh.

The group, chaired by former Jamaica Central Bank Governor and United Nations Development Programme (UNDP) co-director, G. Arthur Brown, is to be Manley's Council of Economic Advisers, operating as his personal think-tank, and helping to monitor the island's economy.

The functional six include University of the West Indies (UWI) Vice Chancellor, Alister McIntyre, though McIntyre has advised that participation would be subject to his responsibilities at the university, particularly in the period of reconstruction after last September's hurricane. Manley said that he had accepted McIntyre's qualification confident in the knowledge that he will make a more than adequate contribution even during the early stages of the work of the council.

The other members are Don Banks, the managing director of the National Commercial Bank (NCB) group here, Barclay Ewart, government senator and chairman of the Alkali Group of companies, Dr Omar Davies, the new head of the Planning Institute of Jamaica, and the recently appointed acting governor of the Central Bank, Dr Owen Jefferson.

Manley said that the proposed seventh member, Mayer Matalon had said that he would not wish to serve on the council until a court case over a transaction by the telecommunications holding company, Telecommunications of Jamaica [TOJ], was cleared by the court. Matalon is chairman of TOJ as well as of the ICD [no further expansion given] group of companies.

Six private shareholders of recently divested TOJ—in which the government and cable and wireless are the major partner—recently went to court to contest TOJ's purchase of two properties from the ICD group, alleging fraud on the part of the directors over the deal. The group claimed that the directors had failed to disclose the prospective land deals in the prospectus when the government decided to sell to the public 13 per cent of its 60 per cent ownership of TOJ.

Both the TOJ board and Matalon as ICD chairman have denied any impropriety in the land deals which have been subject to much press comment.

Belize

Prime Minister Esquivel Presents New Budget

FL1003143789 Bridgetown CANA in English
0112 GMT 10 Mar 89

[Text] Belmopan, Belize, March 9, CANA—Belize Prime Minister Manuel Esquivel on Thursday presented a 233.9 million dollar (one Bel dollar-50 U.S. cents) budget that includes income tax concessions.

Esquivel, who is also finance minister, told the House of Representatives: "This is a budget of caring and sharing". He added: "Our overall goal is to build a society where every Belizean will have an equal opportunity to improve the quality of his life, a Belizean society where all citizens are better off."

In his two hour presentation, Esquivel announced plans to exempt six thousand more persons from paying income and to reduce the tax paid by others.

The prime minister also said that his government will introduce legislation to exempt contract officers in the employment of the Government of Belize from paying tax on their gratuities with effect from January 1, 1989.

A breakdown of the government's budget proposals shows that 143.6 million Bel dollars will come from taxes while the remaining 90.3 million will come from the capital account, from government savings and funds to be derived from foreign sources which will include the United States Agency for International Development (USAID).

From USAID the largest amount of 14.1 million dollars is anticipated and 12.9 million is expected from the Caribbean Development Bank. Other sources which the government hopes to tap for capital expenditure include the U.K. Government, the European Economic Community and the World Bank.

Prime Minister Esquivel said that "the strong growth impulses generated in the Belizean economy during the past two years are expected to continue in the coming year".

The main thrust of the government expenditure as was outlined in the budget speech by Esquivel calls for more spending for the improvement of roads and rural electrification and more low cost housing. Esquivel also said that the country's Gross Domestic Product increased by 7.6 percent or 3.9 per cent "above the rate of growth in the developing countires". This he said "is attributable to all sectors except agriculture and forestry" because of "adverse environmental condition".

He said foreign assets of the Central Bank of Belize rose by 30.7 million dollars to 103.3 million as a result of the large balance of payment surplus. Domestic credit now stand at 201.9 million dollars.

The country's total public debt at the end of December of last year amounted to U.S. 120.8 million dollars of which U.S. 7.9 million is owed to the International Monetary Fund for a standby loan, U.S. 20 million to the British Government, U.S. 19.4 million to the Government of the United States, U.S. 7.7 million to the World Bank, U.S. 2.8 million to the European Development Fund and U.S. 2.8 million to the Caribbean Development Bank.

The prime minister said his government "proudly and confidently declares to the Belizean people today that we are ready, willing, and proven able to take this country into the 1990's" and that "we refusse to accept any kind of fatalism."

El Salvador

Duarte Dismisses Possibility of Army Coup

PA1403233489 Panama City ACAN in Spanish
2233 GMT 14 Mar 89

[Text] San Salvador, 14 Mar (ACAN-EFE)—Salvadoran President Jose Napoleon Duarte today dismissed the possibility that the Army will stage a coup d'etat "at this time" if the Christian Democratic Party [PDC] wins Sunday's elections.

Duarte said "the Armed Forces's position has been clear, as Defense Minister General Eugenio Vides Casanova stated when he said the Army will respect the election results."

The president noted there are sectors that want to destabilize the regime that will not accept the election results.

In the past few weeks, Colonel Sigifredo Ochoa, leader of the rightist Nationalist Republican Alliance (ARENA), stated that the Army is "frustrated" with Duarte's political decisions.

Duarte has not dismissed the possibility of holding a dialogue with the guerrillas to seek a political solution to the 9-year war in El Salvador, which has resulted in 70,000 deaths and incalculable economic losses.

Sigifredo Ochoa, who is also an ARENA deputy, has said without being specific that there are rumors of a coup d'etat and that at this time a military coup would harm the democratic process and the virtually assured triumph of ARENA.

Only 5 days from the elections Duarte has also expressed his concern with the "absenteeism" that might be caused by the guerrilla's announced boycott of the elections and transportation stoppage.

The Salvadoran guerrillas have increased their attacks on the electricity and telephone system and have issued death threats to election officials, charging that the elections are a "farce." "We are afraid there may be

absenteeism, not due to a lack of will on the people's part, but due to a lack of means. The terrorists must not instill fear in the people, because this may endanger the voting process," Duarte stated.

The president appealed 2 days ago to the Governments of Spain, Mexico, Venezuela, and Nicaragua to intercede with the Farabundo Marti National Liberation Front (FMLN) in support of the elections.

Contrary to the willingness to resume the dialogue with the guerrillas expressed today by PDC presidential candidate Fidel Chavez Mena, the Salvadoran president voiced his skepticism over the results of the possible dialogue.

"I am studying at this time a secret guerrilla document on their strategy to use the latest peace offer to achieve advantageous positions and initiatives for their prolonged people's war," Duarte stated.

"They (the guerrillas)," the president noted, "want to heighten the country's tensions. At this time, when political power is on the line, the FMLN wants to interfere with the election process."

Duarte recently accused Cuba and Nicaragua of being closely linked to the FMLN and of having designed the guerrillas' political initiative, in which they requested that the elections be postponed to negotiate election guarantees.

FMLN Rebels Issue Communiques 14-15 Mar

More on Transport Stoppage

PA1503004089 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2345 GMT 14 Mar 89

[Communique issued by the Farabundo Marti National Liberation Front General Command on 14 March; place not given. (Clandestine) Radio Venceremos at 0014 GMT 15 March broadcast an identical version of this communique]

[Text] To all the Salvadoran people, to the international community, the FMLN General Command reports that all our guerrilla units throughout the national territory stand ready to carry out in an effective manner the transportation stoppage beginning at 0000 hours on Thursday, 16 March which will last for an indefinite period, in fact beyond 19 March.

As of 16 March, we call on all drivers not to use any of the highways, since fighting will take place there with Armed Forces units, against which antitank mines will be used.

We have been flexible in our repeated attempts to make the elections an instrument for finding a political solution to the conflict. However, our counterpart insists on maintaining the electoral process as another part of its counterinsurgency war plan against the people.

We reiterate our willingness to persevere in our peace efforts. At the same time, we remain determined to fight against the plan that seeks to continue the war, repression, and forfeiture of our national sovereignty.

[Signed] FMLN General Command, 13 March 1989

Army 'Policy of Terror' Cited

PA1503011289 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 15 Mar 89

[Communique issued by the FMLN General Command "to the Salvadoran people and press"; no date or place given]

[Text] In view of the cowardly attacks by Armed Forces personnel against the civilian population, such as the hurling of a grenade at a bus stop in San Salvador and other criminal actions being carried out by the psychological warfare office, Coprefa [Armed Forces Press Committee], we report the following to our people and the press:

1. We condemn and repudiate these criminal actions, which the Armed Forces have carried out as a result of their obvious ineptitude and in their desperation to prevent a complete failure of their electoral farce, and as a desperate measure to respond to the implementation of the national transportation stoppage.

2. We warn the Army High Command that if it continues with this policy of terror against defenseless persons, there will be a direct and forceful response against those responsible for this bloodletting.

3. We call on our urban commandos and all military units to be on the alert for orders from the General Command.

[Signed] FMLN

Mayors Warned To Resign

PA1503023689 (Clandestine) Radio Venceremos in Spanish to El Salvador 0044 GMT 15 Mar 89

[Communique issued by the Francisco Sanchez Eastern Front of the FMLN to Salvadoran mayors; date and place not given. (Clandestine) Radio Farabundo Marti at 2358 GMT on 14 March broadcast an identical version of this communique]

[Text] Attention mayors:

1. We have repeatedly relayed our demand, either through Radio Venceremos or in personal notes, that various local officials and members of ARENA and the PDC must resign their posts and stop participating in the counterinsurgency plan. Most of them have heeded our demand and resigned. The most recent cases are the resignations of the mayors of San Alejo, Comacaran, and La Union, in Nueva Esparta.

2. We make a last call to those mayors who have formally resigned but continue to operate covertly and collect their salaries and those people replacing the mayors who have resigned—such as in San Francisco Goteras, Corinto, Lolotiquillo, Jocoaitique, and other places—to resign. Both the mayors and the municipal councils must resign and totally abandon their duties.

3. We remind those who believe they can flout the FMLN's orders and have remained in their posts under the protection they purportedly get from having an armed escort—such as the mayor of San Miguel, those who operate at the garrison in Goteras, and the mayors of Joateca and Perquin—that the FMLN is everywhere.

4. We remind the members of the election boards and active members of ARENA and the PDC who are implicated in the corruption and repression against the people that they must cut all ties with these plans or risk being regarded as enemies of the people.

[Signed] Francisco Sanchez Eastern Front

Spanish Officials Contact FMLN on Elections

PA1403220489 Madrid EFE in Spanish 2128 GMT 14 Mar 89

[Text] Madrid, 14 Mar (EFE)—Spanish authorities contacted FMLN representatives today to ask them to abstain from using violence on the day of the Salvadoran elections, 19 March.

A spokesman for the Spanish Foreign Affairs Ministry's Diplomatic Information Office (OID) told EFE that the contacts with the FMLN representatives took place in Madrid and Mexico.

This initiative responds to a request for mediation made by Salvadoran President Jose Napoleon Duarte last Sunday to Spain, Mexico, Venezuela, and Nicaragua.

Duarte requested the mediation of these countries and of Pope John Paul II so the guerrilla forces will not boycott the elections. The FMLN has called for a boycott of this coming Sunday's elections, when 1.8 million Salvadorans will go to the polls to elect Jose Napoleon Duarte's successor.

The guerrillas want the elections to be postponed until there is a new constitutional framework in El Salvador.

CCE Orders Suspension of ARENA Campaign

PA1503044989 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 14 Mar 89

[Text] Ricardo Perdomo, president of the Central Elections Council [CCE], has informed the PDC that the ARENA campaign—which has maligned the PDC candidate and the government itself—was suspended as of yesterday.

Perdomo said ARENA's campaign was suspended based on the PDC's protests and because ARENA violated Article 171 of the Electoral Code. The action is legitimate because the decision to stop the campaign was approved by all the CCE members in order to preserve order and harmony in the nation, sources said.

PDC Leader on ARENA-FMLN 'Contact'

PA1303204189 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 11 Mar 89

[Text] Gerardo Lechevalier, a PDC leader, says that members of ARENA maintain direct contact with the FMLN command.

The PDC leader said that Roberto D'Aubuisson and [Colonel] Sigifredo Ochoa Perez maintain direct contact with the five FMLN commanders through the National Democratic Union led by Mario Aguinada Carranza. There is nothing unusual about these relations, Lechevalier said, but ARENA outwardly displays antagonism toward the FMLN, which brings to mind the pact between Hitler and Stalin to destroy Europe's democracies.

Assembly President on FMLN 'Propaganda'

PA1403004189 San Salvador LA PRENSA GRAFICA in Spanish 11 Mar 89 p 4

[Text] Salvadoran Legislative Assembly President Ricardo Alvarenga Valdivieso yesterday commented on the new political proposal that the FMLN presented to the government commission on 10 March. On 8 March the FMLN announced that it was no longer willing to hold talks with the government prior to the elections. Alvarenga said: "The FMLN proposal clearly demonstrates that the organization's intention was propagandistic. As soon as they were sure the Legislative Assembly was working seriously on arranging talks, the FMLN leaders announced their withdrawal and made a new proposal."

He added: "The efforts for peace should be serious and without cheap demagoguery, much less for propaganda purposes during the elections. We, the opposition parties represented at the Assembly, have repeatedly advised President Jose Napoleon Duarte of our willingness to participate in the famous government-FMLN talks. He never listened to us, however, and acted instead on his own. He did not achieve anything positive for the people and only succeeded in publicizing his effort, according to newspapers."

"The proposals of my party, the ARENA, should have been heard and implemented to achieve peace. If achieving peace is to be discussed, we must do it in a climate of peace. However, the FMLN says it is willing to halt the armed struggle immediately while simultaneously ordering transportation stoppages, destroying the Salvadoran infrastructure, instilling fear, and terrorizing the defenseless people. We have not seen the rebels do anything conducive to peace. Their constant changes of mind demonstrate that they are only interested in creating propaganda."

In conclusion, Alvarenga said: "The executive and legislative branches are represented at the government commission. We also have to take into consideration the consultative organizations and the political parties, all of which will participate in talks with the FMLN. To call these talks a dialogue would be misleading. The talks could lead to a dialogue without the ambiguities the FMLN has evidenced so far. This is why it is necessary for the FMLN to give clear signs that its position is a serious one."

UP Candidate Labels Rebel Proposals 'Games'

PA1403011589 San Salvador Canal Doce Television in Spanish 0300 GMT 11 Mar 89

[Text] Hugo Barrera, Salvadoran presidential candidate for the Popular Union [UP], said today that despite his participation in meetings with the FMLN delegates, his party disagrees with holding negotiations with the rebel organization.

[Begin Barrera recording] The counterproposal we presented clearly established that the FMLN's intentions were possibly not completely [word indistinct]. That is why we told the FMLN to first lay down its weapons and to then proceed to negotiate—to negotiate even the postponement of the elections. We were willing to do that only if the FMLN first laid down its weapons.

Time has proven that we were right. The proposals were only games and nothing was accomplished. That is why our government program includes the following:

I have said before that our country has always had two options: war or negotiations. We do not believe in the government plan. There are middle-ground options, and there are other options that are more closely linked to our current reality.

The guerrilla movement is trying to destroy the country's economic structure in order to create the right atmosphere for a popular rebellion through the [words indistinct] hunger and that type of thing. We—when I say we I refer to the groups that are not on the side of the guerrilla movement; in other words, the government, Armed Forces, and several political parties—seem to have swallowed the guerrilla movement's bait, because instead of reacting in defense of the country's economic structure, which the rebels are destroying, we reacted almost militarily, and in some cases we reacted politically. On one hand we tried to talk and negotiate, and on the other we promoted a major strengthening of the Armed Forces, because we [words indistinct] here.

The Armed Forces have achieved a high level of professionalism. They have improved their image. The current results of our efforts, however, do not mean that anyone can come and tell us when the war will end if we continue supporting the military option.

What we must do is to counterattack against the true intentions of the guerrilla movement, which is the destruction of the country's economy. We must strengthen our economy. The entire business sector, however, must be clearly aware of the need to strengthen our economy, and we must, of course, have a government that can coordinate actions to support that goal. [end recording]

UPD Issues Communique on Elections, Dialogue

PA1403012889 San Salvador EL MUNDO in Spanish 10 Mar 89 p 6

[Text] The Democratic Popular Unity, UPD, has expressed its concern over the escalation of violence by the FMLN, which results in the death of more innocent human beings and the continuing destruction of the country's physical and economic structures.

The UPD communique, a copy of which was sent to EL MUNDO, is divided into two parts: The first part deals with the negative effects of the presidential veto of the Peasant Housing Law, and the second part is entitled "Alternatives for 19 March." Regarding the latter topic, the UPD communique reads:

"Peace through elections or elections with war. Since 1982, elections in El Salvador have taken place on the dates established by the laws and the Constitution. There have always been attacks by the FMLN on election day, to the extent that it has been practically impossible to hold the elections in some areas.

"More than going to the polls, the Salvadoran people have tried to show to the entire world their desire to solve the conflict through a political solution instead of a military solution. In that spirit, the UPD has participated in the election process since 1982. Thus, the UPD has acquired a great deal of political experience.

"The FMLN has used a new method to counter the 19 March 1989 elections that has surpised the nation and the entire world. They have proposed 'elections for peace' if they are postponed until after June, or 'elections with war' if they are held within the constitutional framework.

"The FMLN's strategy could succeed if the elections are postponed because we know that, according to the FMLN, elections serve 'to increase contradictions within the interest groups currently in power.' The desabilization of those groups, organized in political parties, will undoubtedly create a 'power vacuum' that could be filled by the revolution's leading forces if the conditions develop to seize power through a revolutionary insurrection.

"Possibly because political parties are mainly interested in getting votes, they have not developed the responsibility and wisdom to respond to the FMLN proposal. This is logical, as Washington has directed the counterinsurgency policy through the Armed Forces and its

spokesman, the president of the Republic. Meanwhile, Salvadoran democratic institutions, such as political parties, labor forces, the church, universities, large and small businesses, and other social groups are totally unaware of the decisions and policies dictated by the U.S. State Department (CIA) and the Department of Defense (the Pentagon) for Central America and El Salvador.

"In view of these circumstances, the UPD is not concerned about the date of the elections. It is, however, concerned about the violence that results in the death of more innocent human beings, as well as the continuous destruction of the country's physical and economic structures. The new government, regardless of who wins, must commit itself to the Salvadoran people and the entire world to continue an open and sincere dialogue with the rebel forces until peace is achieved. In reality, what the rebels want from the new government is to continue the process of dialogue and negotiation until peace is achieved in El Salvador."

In addition, the UPD outlined what the organization expects from the new president. Among other things, it mentioned:

"A) He should be really and sincerely willing to work for peace.

"B) He should be able to guarantee freedom of organization, registration, and operation for all political parties, without exception.

"C) Human rights, including labor rights, must be respected within the framework of citizens' rights and duties.

"D) There should be total freedom of expression and access to the media so journalists can carry out their duties of informing and guiding the public."

Guerrillas Cause Nationwide Power Failure
PA1403133289 Paris AFP in Spanish 0627 GMT 14 Mar 89

[Text] San Salvador, 13 Mar (AFP)—Spokesmen for the San Salvador Electric Power Company have reported that an act of sabotage by guerrillas on the country's power grid left the entire Salvadoran territory without power on Monday night.

The blackout, which occurred at 2030 (0230 GMT), affected all 14 departments of this 21,000-square km nation, but service began to be reestablished gradually at 2040 through the use of emergency generators.

Sabotage directed at the power grid has increased over the past few days as part of a campaign by the FMLN to obstruct the presidential elections scheduled for 19 March.

Comparison of Duarte's Speech on Elections
PA1403184589

San Salvador LA PRENSA GRAFICA in Spanish on pages 44 and 45 of its 14 March issue publishes a 2,500-word version of President Duarte's speech delivered in San Salvador on 12 March. The LA PRENSA GRAFICA report has been compared to the San Salvador Canal Seis Television Spanish version published in the 14 March Latin America DAILY REPORT, page 19, revealing the following variations:

Page 19, column two, antepenultimate paragraph, sentence two, the LA PRENSA GRAFICA version reads: ...as a leader it fills me with personal and civic delight to say that all my life I have struggled for democracy and that the struggle has become even more intense during the last 10 years, because the highest aspiration of the Salvadoran people centers on the search for freedom in order to guarantee national peace.

God has always... (supplying indistinct words, rewording)

Page 20, column one, last paragraph, first sentence, LA PRENSA GRAFICA version reads: ...of respect and a climate of tranquillity in the population. (supplying indistinct words)

Column two, paragraph three, first sentence, LA PRENSA GRAFICA version reads: ...result of economic selfishness or social antagonism, because there can be no peace without development and there can be no development without democracy, and, consequently, peace... (supplying indistinct passage, rewording)

Correction to Duarte Address on Elections
PA1403182489

The following correction pertains to the item headlined "Duarte Address on Elections, 'Struggle,'" published in the 14 March Latin America DAILY REPORT, page 19:

Page 21, column one, paragraph four, first sentence, make read: ...of the Republic, the first presidential designate, and the defense... (supplying omitted words)

Same paragraph, sentences two to five, make read: ...19 March elections. The path toward peace, which is built through political means and within the framework of the country's institutions, has been opened in a specific way. The process must be irreversible because it has reached the point where we cannot and must not go backward. Time should not work against peace. The struggle for... (rewording)

Guatemala

Cerezo Denies Rumored Coup Attempt 'Last Week'

PA1403204689 Panama City ACAN in Spanish 1955 GMT 14 Mar 89

[Text] Guatemala City 14 Mar (ACAN-EFE)—Guatemalan President Vinicio Cerezo "emphatically" denied today that there was a new coup attempt last week.

In a statement made in one of the corridors of the Government Palace, Cerezo described the situation as "one of the many rumors that are started in Guatemala."

"It was just a rumor initiated by someone interested in destabilizing the government and who also supported the 11 May 1988 coup attempt," Cerezo said, without identifying the person.

Cerezo said that there were rumors last week to the affect that "there had been a meeting of Army officers at one of the military garrisons to plan the coup," all of which "is false."

Christian Democratic President Cerezo, who in 1988 withstood two coup attempts, stressed that "these reports are false and everything is normal, since the armed institution fully respects the democratic process and institution."

U.S. Strategy 'Not Incompatible' With Accords

PA1503032389 Panama City ACAN in Spanish 0121 GMT 15 Mar 89

[Text] Guatemala City, 14 Mar (ACAN-EFE)—The Guatemalan Government believes that the new U.S. strategy proposed by U.S. Secretary of State James Baker is not incompatible with the peace agreements signed by the Central American presidents.

Guatemalan Government spokesperson Claudia Arenas said that the strategy to give "diplomacy a chance" without abandoning the "contras," which has been proposed by Baker, does not hinder the peace agreements signed in El Salvador.

"There is a 90-day period within which to implement the signed agreements, and we hope Nicaragua will carry out its promise to hold free elections and that the anti-Sandinists will be demobilized," she added.

According to the Guatemalan Government spokesperson, the United States, which did not take part in the signing of the agreements in El Salvador, "can present strategies or peace proposals for the region without hindering the work of the area governments."

UN Human Rights Commission Decisions Noted

PA1103034689 Guatemala City Teleonce Television in Spanish 0400 GMT 9 Mar 89

[Text] Geneva, Switzerland—Delegates from the various countries attending a conference sponsored by the UN Human Rights Commission today favored Guatemala by unanimously approving a resolution that provides a 1-year extension on the presence of an expert in Guatemala to advise the government on human rights issues.

The resolution was proposed at the assembly by Ambassador (Selaun Heller), director of multilateral relations of the Mexican Foreign Affairs Secretariat, during a discussion on human rights counseling services, the 21st topic on the meeting's agenda.

Argentina, Brazil, Canada, Colombia, Spain, France, Peru, Venezuela, Uruguay, and the Netherlands seconded the proposal. Without any further discussion, the Human Rights Commission approved the resolution by a general consensus at 2230. The resolution thanked expert (Hector Gross Espiel) for his report and for his performance during his time in Guatemala. The resolution also thanks the Guatemalan Government for the cooperation provided to the Human Rights Commission and to the UN expert. It also expresses recognition of the Guatemalan Government for the invitation extended to the special rapporteur on torture and to the work group working on cases of missing people to visit the country, and for the report on accomplishments on human rights protection, which includes the investigation on missing people.

Sharing the conclusions and recommendations by expert (Gross Espiel), Point 4 of the resolution acknowledges the Guatemalan Government's pledge to guarantee and promote the protection of human rights and individual rights. It also expresses concern for the conditions that still seriously limit any true process for the improvement of the human rights situation in Guatemala. The resolution urges the government to intensify its efforts to make sure all authorities and security forces fully respect citizens' human rights and individual rights. It also encourages the Guatemalan Government to intensify its efforts and plans concerning the Indian population situation and to take their demands and proposals into account with the hope of finding a solution so Indians can fully enjoy their human rights freedoms.

According to this resolution, Guatemala will continue receiving the UN Human Rights Commission advisory services to promote democratic accomplishments and strengthen the institutions in charge of protecting human rights, according to the recommendations in the report by expert (Gross Espiel).

The approval of the resolution with no objections or opposition and with no need to conduct a vote by the delegates from the 43 country-members of the UN

Human Rights Commission greatly pleased the Guatemalan delegation, headed by Deputy Foreign Minister Ariel Rivera Irias and Permanent Ambassador to the United Nations (Jose Luis Schell) [title as heard], who worked very hard—preparing reports and holding direct talks with delegates from other countries—to respond to the attacks by nongovernment organizations, which still persist this year.

Union Protests 'Intimidation' Campaign
PA1103043889 Guatemala City EL GRAFICO in Spanish 8 Mar 89 p 21

[Communique by the Labor and Popular Action Union issued in Guatemala City on 2 March]

[Text] The Labor and Popular Action Union, UASP, reports to the Guatemalan people and the international community a CAMPAIGN OF INTIMIDATION, DISCREDIT, AND DESTABILIZATION AGAINST THE TRADE UNION AND POPULAR MOVEMENT.

The history of the Guatemalan trade union and mass movement—whose struggle is aimed at asserting the rights of a people who are plunged into the most exasperating poverty, oppression, and repression and at attaining social justice, peace, and genuine democracy—has been characterized by merciless persecution, harassment, and violence on the part of the traditional ruling groups protected by governments that have imposed antipopular policies and measures detrimental to the country's development and progress.

This practice is not restricted to the past. It has continued and is currently being carried out with the same or even greater intensity through a campaign to intimidate and discredit the trade union and mass movements for the fundamental purpose of destabilizing and thwarting the people's just struggles and the development of their legitimate organizations.

The targets of this campaign are organizations such as the Mutual Support Group, Council of Runujel Junam Ethnic Communities [Consejo de Comunidades Etnicas Runujel Junam—CERJ], Committee of Peasant Unity, and University Students Association (AEU). The charges levied at them fall into the category of falsehood and slander by their own weight. In the AEU's case, it has received thousands of phone or letter messages with death threats signed by paramilitary organizations or death squads whose activities against fundamental human rights are apparently hard to control by the government (even though it has been announced through the media that evidence on their leaders and activities has already been developed).

It is a truly regrettable and contradictory fact—and a source of great concern—that in the context of the national dialogue that has already begun, the climate of insecurity is soaring to incredible heights even though most of the sectors in Guatemala's society have expressed and put into practice their determination and their political and democratic will to contribute jointly to the social peace for which Guatemala so earnestly longs.

Consequently, the UASP strongly condemns these actions and

DEMANDS:

FROM THE GOVERNMENT:

1. An immediate end of the campaign of intimidation and destabilization against the trade unions and mass movement in general.

2. A guarantee—in accordance with constitutional provisions—that it will respect the physical, mental, and moral safety of the rank-and-file members of the various organizations who are currently being harassed and persecuted, particularly the AEU Executive Coordinating Board members who are currently facing harassment and death threats even more intensely: Aaron Ochoa, Hector Salvatierra, Douglas Mazariegos, Mario de Leon, Luis Ruiz, Byron Milian, Ivan Gonzalez, William Ligorria, Edin Boanerges, and other fellow students of San Carlos University, to whom we express most resolute and unqualified moral support and solidarity.

FROM THE TRADE UNION AND MASS ORGANIZATIONS, POLITICAL PARTIES, CHURCH, AND OTHER DEMOCRATIC AND PROGRESSIVE SECTORS AND INSTITUTIONS IN GUATEMALA:

A categorical and firm rejection of the current intimidation, discrediting, and destabilization campaign against the trade union and mass movement by confronting this situation and not allowing its goals to be achieved. We must constantly report cases as they arise, because this is the only means we have to prevent the groups that are hostile to and enemies of the people from perpetrating these crimes against humanity.

FROM INTERNATIONAL SOLIDARITY, SISTER ORGANIZATIONS, AND DEMOCRATIC STATES IN THE WORLD:

Constant attention to the true situation in Guatemala, particularly to the unstoppable deterioration in the exercise of and respect for human rights, to vigorously condemn the constant and flagrant violations of these rights.

A HUNGRY PEOPLE IS A PEOPLE WITHOUT PEACE!

FOR THE WORKERS' STRUGGLE AND DIGNITY

UASP

Guatemala, 2 March 1989

Honduras

Presidential Adviser Assesses 'Brady Plan'

PA1403173289 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 14 Mar 89

[Interview with presidential adviser Carlos Falck by Julio Armando Valdes; date and place not given—recorded]

[Text] [Valdes] The government has made an official statement on the Bush administration's proposal known as the Brady plan. What is your opinion, as an advisor to the president, and the government's opinion on this plan, which could benefit Honduras if it is implemented?

[Falck] Of course, I believe this plan naturally could benefit our country, because, as you all know, servicing the debt places a significant burden on our economic development. Honduras is spending over 30 percent of its export income to service the foreign debt.

One must also consider other things, however. Our country's foreign debt is made up of debts to private banks; debts to international banks such as the Inter-American Development Bank, the IMF, and the World Bank; and government-to-government debts—that is, bilateral debts. We have already seen some action in the latter area, particularly by the EEC, which wrote off a part of its loans to Africa.

We believe the Latin American countries should lobby the EEC to take a similar step toward Latin America, especially toward the less developed or smaller countries, such as the Central American countries.

[Valdes] Speaking of writing off the debt, if that term could be applied to Honduras, in what way would we benefit—from a reduction in the principal or in the interest owed to those institutions?

[Falck] Those are matters that have to be discussed if the debt is going to be canceled. At this point, it has been suggested that 30 percent of our debt be written off. One would first have to see whether this will be done, and then whether or not the reduction would include the interest or just the principal. I believe it would include everything, but we would also have to consider the renegotiation of the remainder of the debt. After all, if 30 percent of one's debt is written off, one still has to pay back 70 percent. We would have to consider obtaining long-term refinancing for that 70 percent, which would give us breathing space to rebuild our economies and revitalize our countries' development.

Another aspect that should also be taken into account is the need for new resources to support our development. Honduras has very little savings; our national savings are very small. We therefore need foreign investment, and we need support in terms of capital from international banks to support the government's efforts to boost development. We need to change the situation to have a more dynamic economy. Our GDP would have to grow at a constant 5- to 6-percent annual rate for 5 to 10 years to put us back on the same footing we were on 10 years ago.

[Valdes] What would be the meaning of writing off 30 percent of Honduras' debt?

[Falck] Writing off 30 percent of our debt—if applied to the three different types of debt we have—from the total $3-billion debt we have with different financial institutions and governments would mean savings of approximately $900 million, which is very significant.

[Valdes] What are President Azcona's views on this Bush administration economic plan?

[Falck] President Azcona considers it positive. He believes a plan of this nature could help us. Obviously, we have to wait for this plan to develop so we can study it thoroughly. We will express our country's views in due time.

Talks With IMF, World Bank To Continue

PA1303194989 Tegucigalpa EL HERALDO in Spanish 10 Mar 89 p 57

[Text] President Jose Azcona Hoyo and his top economic advisers yesterday spent 3 hours trying to convince representatives from international credit organizations of the disastrous effects that would result from the implementation of financial measures thwarting the good progress made in the national economy.

Finance Minister Efrain Bu Giron said last night after the talks ended that "implementation of the measures recommended by the IMF and the World Bank may prove very unfavorable to the country's democratic stability."

Bu Giron added that the government presented a counterproposal to these organizations based upon respect for the stability of the Honduran exchange rate and which includes general fiscal, economic, and monetary measures.

Bu Giron pointed out that World Bank and IMF technicians Ernesto Derbez and Armando Linde did not openly call for the lempira's devaluation, but they "spoke of a measure that would affect the national exchange policy. To prevent this measure's implementation, we have pledged to put the foreign exchange system in order."

The international organizations are demanding the adjustment of the national economy and an improvement in the tax administration, aspects the government is willing to consider. However, the finance minister pointed out, the government is bound by a pledge not to create new taxes.

"We are willing to increase our revenues and to reform the income tax law, not in an effort to raise taxes, but to improve the administration. The government should also implement an estimated income tax program to control the parallel economy [economia no registrada]," the official said.

Bu Giron added that the government proved to the visiting technicians that the measures implemented to improve tax collection have had a positive effect in that income and sales tax revenues have increased.

Although he admitted that an agreement has not yet been reached with the IMF and the World Bank, the finance minister said that the delegation will study the Honduran offer and return to the country on 27 or 28 March to continue the negotiations.

"For the time being, we will wait and see what the impact of the proposed measures on the national economy will be; in other words, we are going to think through our proposals and continue negotiations at the end of the month," he explained.

Bu Giron believes that the agreement with the IMF and the World Bank "is advantageous and necessary," assuming that it respects the country's exchange policy, because "we will not accept any agreement detrimental to the Honduran people's interests; this is our main concern."

The official declined to link the Honduran negotiations with the unfortunate situation in Venezuela because, he said, "I believe we can still reach an agreement that will not affect the interests of the majority or the underprivileged in Honduras."

Official Supports Parallel Exchange Market

PA0903043289 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 8 Mar 89

[Text] National Congress President Carlos Orbin Montoya has said he supports recommendations by the IMF, credit organizations, and World Bank officials, as long as they do not entail higher taxes and sacrifices for the people. He added that the National Congress, by principle, does not approve of more tax burdens, increases in public service fares, or a job freeze. Once again, the National Congress president said the parallel market must be officially established, because it would bring higher revenues to the government. Importers currently purchase dollars at the rate of 3.50 lempiras to the dollar; yet, in their customs declaration, they say they did so at 2.50 lempiras to the dollar—which means the government does not earn revenues for the remaining 1.50 lempiras.

He said the exchange rate of 2 lempiras to the dollar must only be maintained for the purchase of medicine. However, the importers of luxury items must use the parallel market to purchase dollars. International credit agencies do not come to rule our economy but to give advice on how to reorganize it, he explained. He added that this is the merely the relation between a creditor that wishes to recover his money and a debtor.

Montoya felt urgent measures must be adopted to face the current situation, or else the inflation rate will continue rising. Unless the right measures are taken, the dollar may rise 5 lempiras. Therefore, he endorses reorganizing Honduras' economy.

Brigade Commander Views Contras, Security

PA0703140789 San Pedro Sula TIEMPO in Spanish 3 Mar 89 p 3

[Quotation marks as published]

[Text] San Pedro Sula—Colonel Reynaldo Andino, 105th Infantry Brigade commander, said here yesterday in the 4th Infantry Battalion area under the command of Colonel Erick Sanchez that there is subversive activity and probably explosives in the area, "but not necessarily related to the explosive stockpile recently discovered" near the city of La Ceiba.

The Army leader said that in light of recent dynamite attacks "we are constantly on alert and patrol all areas, particularly Santa Barbara and the Merendon mountain range near the Guatemalan border, because we are obliged to be alert to any unusual activity in the area."

Col Andino said that the people must feel assured that the Armed Forces are in control of the situation and that the guerrillas have no future here." He added that we are a professional Army that improves every day, but what really gives us confidence and security is precisely the people's support to do our work in the best way possible."

Asked whether the Armed Forces budget should be reduced, Andino argued that ideally there should be no military expenditure. He said: "What is spent on arms should be spent on more beneficial things, but he stressed that human nature makes an institution like the Armed Forces necessary in order to guarantee order in society."

Andino admitted that there are certain sectors interested in dividing the Armed Forces because they regard the institution as "a problem, an obstacle" in the way of their plans and they believe that "it would be beneficial to weaken us and give us more problems."

Col Andino admitted that the wave of violence has increased and noted that "this is a phenomenon that we must learn to live with, and we must learn how to handle it."

The military official believed that ideas instead of weapons should be used to combat communism, saying: "I believe that communism can be defeated if everyone contributes ideas to resolve the various problems we have."

Col Andino added: "I believe that by using dialogue, communication, and understanding, we can come out ahead. I believe that the best thing would be for all of us to use our intellectual abilities to find solutions to the problems we are facing, and to let it be known that communism is not welcome here."

Referring to the Nicaraguan counterrevolutionaries, Col Andino said: "I regard the contras as a very interesting problem that has arisen because of the situation in Nicaragua." He said afterward: "The Nicaraguans themselves are the ones fighting for the democratization of their country, and I believe that, as freedom fighters, they deserve our respect and consideration, because they are completely devoted to their country and their actions demonstrate their affection and love for their fatherland."

Andino said: "I believe that the least we can do is understand them—not to become directly involved, but to try to better understand their struggle. Regarding dismantling the contras, I believe that the Sandinist government has the last word on this. As Nicaragua becomes more democratic, when it fulfills the people's wishes, the contras will lose their reason to exist and will disintegrate on their own."

Andino explained that he did not know what cause the "Triple A" [death squad] represented, and he said that its appearance in the media is part of a different strategy by extremist groups. He added: "We believe that all extremes are bad, and this is precisely the result of extremist groups trying to create chaos and to destroy our people's tranquillity."

Asked if he will investigate the death threats against [Honduran Human Rights Committee President] Dr Ramon Custodio, Andino said: "We have to be alert to all national security problems, and we have to investigate this and all problems that arise, because they are part of our institutional obligation.

In another turn of events, Andino described the dialogue between the Salvadoran Government and the guerrillas as "one of the most positive things that has taken place recently," and he also expressed confidence that the dialogue will be as successful as "everyone expects." He said: "I hope the dialogue heralds the beginning of peace in the area, and I hope that it turns into something positive and means the return of peace and tranquillity."

Referring to liberal and nationalist party presidential candidates Carlos Roberto Flores Facusse and Rafael Leonardo Callejas, the military leader said that he believes that both were fully qualified to lead Honduras and "both deserve my respect and admiration; I believe that they have been chosen by their respective political groups on the basis of their merits."

Andino concluded that the Armed Forces "are not considering a coup d'etat. I believe that governing is a clearly defined responsibility of politicians. Ours is a very different mission. The commander in chief, the leader of the armed institution, has often asserted that we do not have the slightest interest in taking on that responsibility, and we have said clearly that our mission is a different one."

Nicaragua

Assembly Approves Release of Somozist Guards

PA1503011589 Panama City ACAN in Spanish 0158 GMT 15 Mar 89

[Text] Managua, 14 Mar (ACAN-EFE)—The Nicaraguan National Assembly (parliament) unanimously approved today a draft resolution freeing 1,894 former Somozist guards who have been in Nicaraguan jails for the last 10 years.

The Nicaraguan parliament recommended that the cases of the 39 former Somozist guards excluded from the list of those to be released, which was presented to the Assembly by President Daniel Ortega, would be reviewed by the authorities.

With the freeing of the Somozist military men, who will be released from prison on Sunday [19 March], National Assembly President Rafael Solis said that the Managua government is complying with the agreements made by Ortega at the summit of Central American presidents that took place 13-14 February in El Salvador.

Ortega Cited on Economic Problems, Production

PA1403140489 Managua BARRICADA in Spanish 12 Mar 89 pp 3, 4

["Text" of speech by President Daniel Ortega at the Hatofer'89 livestock fair in Camoapa on 9 March]

[Text] We have spoken with the cattlemen on many occasions and are quite familiar with their problems, which are related to the problems affecting Nicaraguan society as a whole. When making efforts like these, it is important to take advantage of the opportunity to rationally discuss the problems common to all Nicaraguans. In Nicaragua, the producer, the cattleman, the coffee grower, and the producer of basic grains have been and are characterized by great common sense to the extent that the producer is directly linked to production.

When one wishes to theorize about or to speculate on the economy, one has to be involved in production to be able to do so. If one is not involved in production, then it is not easy to make assumptions, theories, proposals, or formulas to solve economic problems. Only the people involved in production can give, even to theoreticians, the information required to devise an hypothesis or to make proposals or speeches.

At this time we are determined to broadly promote the country's economic recovery. We seek economic recovery for the benefit of producers and businessmen, for the

benefit of those who benefitted partially and for those who reaped a great deal of benefits in the past, but we also seek economic recovery for the benefit of the workers, for the men who work side by side with the producers every day, working to get production moving. There was a great deal of economic activity in our country in the past, but it was only for the benefit of a minority of Nicaraguans, and I am sure that if we took a poll now and asked every producer if he is in favor of a policy that would result in benefits for all persons involved in production, the producer would say yes.

A producer's security is determined by the worker's security. If there is no security for the worker, for the salaried laborer, there cannot be security for the producer. This is not an hypothesis I am making up on the spur of the moment. Reality tells us clearly how society behaves when there is no joint effort between the producer and the worker. The state naturally plays a role in this because it contributes to this effort, it contributes to these actions to support everything that can be supported in the field of production.

Latin America's Critical Situation

This is not just a whimsical thought that suddenly came to me. There is truth behind it. Setting aside political positions, setting aside any ideology a producer or a worker or the government may propound, setting aside all those ideological stands, not only in the Nicaraguan countryside but in the Latin American countryside as well, there is but one reality. So what is it? This reality is that because we did not manage to establish a just economic policy in Latin America and the Caribbean, Latin American countries are facing a very critical situation.

We talk about the responsibility of the countries from the North, the industrialized countries, the developed countries. However, we must also talk about the responsibility of those who have been in charge of the economic efforts for a great many years in Latin America. Economic efforts in Latin America have been clearly defined, headed, and led by Latin American capitalists. The Latin American capitalists in Mexico, Brazil, Venezuela, Argentina—anywhere in Latin America where the economy has been highly developed—are the ones who agreed with the policy of borrowing money from abroad, and these countries cannot say that their indebtedness is due to a revolution because no revolution has taken place in these countries. The proponents of this economic policy, the ones who charted this economic policy, the ones who directed this economic policy here in Nicaragua were not the revolutionary forces. They were not the workers, the laborers, the peasants; they were the businessmen, the capitalists in the full sense of the word. What has been the result of this policy? Has it been a successful policy? It has not been a successful policy, and this is not just a capricious assertion by me. Let us look at the analyses of the Latin American economies; let us see what the specialized institutions say about the Latin American economic situation. What is their economic situation, considering that the Latin American countries have very substantial resources? The economic situation is evident in the social upheavals, the rioting that took on truly dramatic dimensions recently in Venezuela.

Responsibility of the Capitalists

I went to Venezuela a short time ago for the inauguration of President Carlos Andres Perez, who was elected to head the government, who assumed power with broad popular support, broad international support, pluralistic support, support from all Latin American countries that advocate a certain economic model, and support from revolutionary countries such as Cuba and Nicaragua. Then, a few days later, when he had to adopt measures that are a million times less harsh than the ones we have been applying in this country, a social upheaval took place. I spoke with Perez on the telephone to express my solidarity and that of the Nicaraguan people and the Sandinist People's Liberation Army. I also told him of my condemnation of the external and domestic policies that lead to situations like this one. Carlos Andres told me that in fact there was no organized revolutionary force that could have incited the events, but that it was a social upheaval, an explosion of pent-up social forces. The way he put it, it was a reaction of the poor against the rich, of the oppressed against the oppressors. We cannot deny this. What does this situation tell us? Reality tells us that the very capitalists, the very businessmen who have held economic power in Latin America in their hands, have not been capable of finding a solution to the economic problems of the Latin American peoples; that unrest has been building up, that discontent has been building up, and that this gives rise to violent, tragic turmoil that leaves hundreds dead and thousands wounded, as was the case in Venezuela.

Thus, Carlos Andres asked himself: What good is democracy, what good is democracy if we are unable to find solutions to economic problems? We would add: Are profound revolutionary changes necessary and indispensable to find solutions to the economic problems plaguing Latin America and the Caribbean?

The region is facing an enormous tragedy and a truly dramatic situation. Those who for decades have held economic power in their hands, those who for decades have drafted economic policies, those who for decades have been subjected to the dictates of U.S. economic policies and to the economic policies of the developed countries' market economy, and those who have accepted the IMF's measures—all those invested their capital abroad when the economic crisis arose. We are calculating figures [on the flight of capital]. One of these days we will calculate the figures for each country. Those are well-known figures, but let us refresh our memories now that we are considering these things. Let us refresh

our memories. How many thousands of millions worth of capital have been invested abroad by Mexican, Venezuelan, Brazilian, Argentine, Peruvian, Uruguayan, and Nicaraguan capitalists?

Those men displayed a very antinationalistic attitude. I recall how a few years ago it was said that Latin America—to its misfortune—had failed to build a nationalistic bourgeoisie. It was said that when the Latin American bourgeoisie matured it became submissive to the capitalist, developed, industrialized countries and particularly to the United States.

Why? What is the history of the Latin American foreign debt? The debt was supposedly contracted to promote economic and social development. Who asked for the money? The capitalists? The businessmen? Who sets the IMF's rules? The banks? The U.S. Government, the industrialized countries? Who benefits when an economic crisis arises? Who handles the capital? The capitalists who made profits when it was time to invest and to finance projects. And who has to pay off the debt? Who do creditors charge for the debt later on? Creditors charge workers, peasants, and wage earners for the debt.

The U.S. Shares Responsibility for the Crisis

All of these things that I have just explained cause social explosions such as the one that just took place in Venezuela. Forces there had accumulated over time. That social explosion was not the Venezuelan people's reaction against Carlos Andres Perez, but the Venezuelan people's reaction against the oppression that became unbearable and that, I believe, is beginning to worry the U.S. Government. After all, the United States cannot and must not look at the Latin American situation without feeling a sense of responsibility. There is talk that the U.S. Treasury will advise the international banking sector to get rid of the Third World countries, to get rid of the Latin American countries, and of their $400-billion debt. We hope that it [the U.S. Treasury measure] will be effective, although it will not be enough. Latin America may be exempt from the debt, but if in addition an economic policy in accord with national interests is not implemented, if the Latin American producers and businessmen are not willing to share the difficulties with the workers in order to set the basis for true development, then a new crisis and a new social explosion will occur, and we will again be on the threshold of armed insurrections and rebel warfare in Latin America and the Caribbean. In that case, rebellions would be caused not by the influence of Cuba, Nicaragua, or other revolutionary countries, but by the implementation of bad policies, by bad administrations in the Latin American countries themselves, by bad Latin American governments, and, above all, by the bad administration of Latin American economies.

The Governments' Political Resolve

I have spoken with many Latin American political leaders and presidents who have shown political resolve and who are willing to do much to benefit their countries' social welfare. They want to seek ways to truly improve their economies and to face the debt problem. They, however, face very serious obstacles.

What are the serious obstacles they always find? Workers, peasants, and the needy are not obstacles. The obstacles are the oligarchs and capitalists who act irrationally. They act with a voracious mentality, with a desire to accumulate money at any cost. They are the serious obstacle. A Latin American president with reformist ideas is seen as an extremist. They label him a communist, block his way, and prevent him from making progress. They say: That man wants to introduce changes in this country, so here is the Army to perpetrate a military coup, thus placing governments in very difficult positions.

In other words, the proposals by Guatemalan President Vinicio Cerezo and the proposals by Salvadoran President Jose Napoleon Duarte have been called extremist. By whom? By the Salvadoran oligarchs and capitalists, by the Guatemalan oligarchs. If one wants to promote measures to benefit the peasants, if one wants to give them land, if one wants to levy taxes on producers and businessmen to distribute wealth among the workers, then one is faced with the reaction of the capitalists, the reaction of the businessmen, the protests of the capitalists, the protests of the businessmen. Hiding behind those capitalists and businessmen in Central America and in other Latin American countries are the military forces. That is the great tragedy suffered by Latin American countries. Those are the facts. The presidents have a political commitment and the people have a commitment to make sacrifices, but the capitalists lack a political commitment.

Therefore, capitalists are not going to solve Nicaragua's problems. Nicaragua's problems are not going to be solved by letting the capitalists control the economy again, because ultimately we would have to wage a revolution again, and we already went through that experience.

Besides, the experience Latin American capitalists have given us is very poor. Where are the capitalist successes in Latin America when all we have is a profound sense of failure and frustration? What we have are popular uprisings, popular rebellions, and revolutionary struggles. That is why the U.S. people are worried. I hope that they will mend their ways, because that will benefit all the Latin American peoples. I hope they can free the Latin American peoples from the foreign debt, because ultimately it is the people who are being asked to pay. The capitalists are not asked to pay; the workers are. Therefore, by freeing all the Latin American countries from their debts to the United States and international banks, we will be left with one major challenge. It will be up to the Latin American capitalists and businessmen, under

these different circumstances, to correct policy in order to stabilize democracy and Latin American society and to ensure that there is a just and lasting peace in Latin America in the future.

Concerted Economic Efforts

We began a process of concerted economic efforts, which has sometimes progressed well and sometimes poorly. Nevertheless, concerted economic efforts have been made all these years. One private sector group in our country has been working despite the aggression and despite the enormous political tensions we have experienced all these years; we must acknowledge that. We must acknowledge the tenacity and steadfastness of producers, who have kept our country producing. They have not depleted the country's capital; they have produced. We are not going to fool ourselves. Some producers have spent their time depleting the country's capital. They went to the banks when credit was completely subsidized. We subsidized credit for 9 years. So, during those 9 years they went to the banks to ask for subsidized loans. They withdrew money, invested part of if in their companies, properties, or farms, and exchanged the rest in dollars to dabble with it. They would deposit the money in U.S. banks or invest it in other Central American countries. To be sure, we admit that most producers have not behaved that way. Most producers have struggled to improve production, regardless of their political and ideological views. Some producers support the revolution and others do not.

Some producers have joined certain opposition parties and they have the right to think as they wish. As producers, however, the important thing is that they have been there, amid all the hardships, during the most difficult times, dodging the contras' bullets, traveling along the roads to keep production up. Similarly, we have the businessmen who have been taking care of the industrial sector in our country. Their efforts have prevailed amid great political tensions, amid great social tensions, fearing that the agrarian reform would adversely affect them. It just so happens—and we talked about it recently in El Salvador when we held the meeting with the Central American presidents—that the Nicaraguan agrarian reform law is one of the most conservative agrarian reform laws ever passed in Latin America.

In other Latin American countries, including right here in Central America, property limits have been set.

The Revolution Has Created More Producers

Therefore, that is our reality; and in light of that reality, we have responsibly told producers: We must continue to produce with the understanding that it is not easy to produce in this country, just as it is not easy to produce in any Latin American country. Any Nicaraguan producer who relocates to another Latin American country will find that it is difficult. I told them that there was a difference here; I told President Arias, President Cerezo, and President Azcona: Look, we are different from the rest of the Latin American countries. It is true that the agrarian reform has adversely affected the private sector somewhat, but it has not affected everyone. The purpose of this agrarian reform is not to make the state the landowner, but to distribute land to the peasants. In other words, there are more private producers in Nicaragua today than there were before the revolution's triumph. That has been the achievement of the revolution, which gave land to the peasants, cooperatives, and to individuals.

Property Limits Are Set by Productivity

I told the Central American presidents that there are no limits here. Productivity sets the limits. If a man is productive and is efficiently producing 5,000 manzanas, 10,000 manzanas, then he may work those 5,000 manzanas, 10,000 manzanas. There are producers here who are currently working 500 manzanas and are capable of increasing their investment to 10,000 manzanas or to 2,000 manzanas; so we let them increase their investments. We are not against that. We are in favor of production. We do not set property limits. It is true that some people have been adversely affected. Certain efficient producers have been adversely affected in some cases, but they have been very few.

During the aggression, there have been cases in which we were forced to make those decisions in densely populated areas, where there was a great demand for land. We had to speak to some efficient producers. We tried to reach an agreement with them to compensate them for their property so we could turn the land over to the peasants who were demanding land. Some producers refused and said that they were unwilling to share their wealth, which is something we were asking them to do. Even though we may all call ourselves Christians, Catholics, Apostolics, Romans, or Evangelists in this country, when it comes to sharing one's wealth not very many do so, and the situation becomes complicated. There was one producer who refused to accept any kind of agreement, but he had to accept it anyway, and the land is now being used efficiently. The Masaya peasants are efficient producers.

It is true that there were some isolated incidents when certain producers were adversely affected; there were some cases of injustice, but the majority of the actions that were taken to turn over lands through the agrarian reform have been fair and they must be understood in their true dimension. The fact that economic activity has survived in the various productive sectors is proof that there has been a concerted economic effort in this country.

If the economy collapses, all the economic variables will collapse. The efforts made by the producers collapse, the workers' efforts collapse, and the entire Nicaraguan society is harmed. We must understand that; we must

take that into consideration. It is not a problem resulting from poor government policy; it is not a problem resulting from insufficient government efforts; it is not a problem resulting from a lack of credibility; it is not a problem resulting from a lack of trust; it is, however, a real problem.

A Different Banking Policy

I told the Central American presidents that in addition to the fact that Nicaragua did not set property limits on land, banks here did not acquire the land when a producer could not pay. Banks here do not act like banks elsewhere in Latin America, the United States, or in any other capitalist country, where a producer is granted a loan and, if he cannot pay, then the bank takes his property away from him. That is a normal practice within a traditional capitalist, liberal economy.

We do not have that type of policy here in Nicaragua. Here we tell the producer: Well, if you do not pay the bank, it will no longer loan you money. That is the punishment: The bank will no longer loan him money. We are not saying that the bank will become the property owner; we are not interested in letting the bank own properties. We are interested in having producers exploit their property efficiently and in their understanding that we have to equally share these difficulties if we want to avoid social upheavals—because social upheavals could take place here, too, as I have said before.

Is Nicaragua interested in social explosions? How could we benefit from a social explosion? What would we gain if the workers start rebelling? Since there are no big shopping centers here, they would raid the shopping centers in Managua, town shopping centers, but whom would they be hurting? They would adversely affect private businesses or small state enterprises. If the peasants start a revolt, what would they do? They would take over the properties of the producers. What would we gain from that? That is just what the newspaper LA PRENSA, some COSEP [Higher Council of Private Enterprise] leaders with rightist, antinational positions, and some political party leaders want to encourage here in this country. It is not my intention to bother them; I am not determined to disagree with them. I only call on them to act responsibly. It is not the same thing to make this type of call in a country where a revolution has taken place, such as in Nicaragua, and to make this type of call in Venezuela or in any other Latin American country. The results are serious in both cases. They are serious because here the mixed economy system would be adversely affected, and we do not want to hurt the mixed economy system. We want to strengthen it.

The Role of Producers and the Economic Measures

Those who have received the people's recognition, the recognition of the rank and file through their appointments as labor leaders or production leaders, must act responsibly. I understand that the COSEP's main concern focuses on production. They should be talking about production, the economic measures, and what can be done to strengthen the economic measures. They should not be saying that no solution exists, because producers who say no solution exists are not true producers. Efficient producers are those who, when faced with rocky and thorny land, manage to make it produce. That is a producer.

Good producers are willing to make the land produce, even if the land is rocky and there are difficulties. This has been the spirit of the Nicaraguan producers, workers, and businessmen, a spirit we must now recover and strengthen. We must act responsibly, understanding that no other Latin American government could implement the measures Nicaragua is implementing.

We have been consulting with specialists from several international delegations that have arrived in our country. ECLA [Economic Commission for Latin America] specialists have been here, and a Swedish delegation headed by U.S. specialist Lance Taylor is currently visiting us. What is the opinion of all these specialists? That any other Latin American government faced with even less problems than ours would have fallen. This was said before the social explosion occurred in Venezuela. No Latin American government could implement the economic measures we are implementing in Nicaragua or make the economic adjustments we are making in Nicaragua. Of course it is hard to make economic adjustments. Workers are negatively affected when they are dismissed, and this should not make anyone happy. Producers are also negatively affected by price increases of some imported products, which become more expensive because we are establishing their real value; in other words, their price on the international market. We are not inventing prices; we are setting prices at the prevailing international market rate.

To Make the Country Progress

We must understand this reality, because although the chances for national recovery have improved, we are still experiencing difficulties. We are experiencing difficulties and need the moral support of all businessmen, producers, workers, and all Nicaraguans to bring the country out of this situation. We will do it; I am sure we will accomplish this.

However, to reach such an important goal during such difficult times, and when there is an economic embargo—you know what an economic embargo means and the harm it causes to the Nicaraguan economy—to reach that goal, Nicaragua must make a special effort, and the costs are equally high. We have to share the costs and the interest payments. Interest rates are still too high for livestock breeding. We would like to reduce that interest rate, and it will be reduced to the extent that inflation is reduced. We still have a hyperinflationary trend. We have been controlling it. We went from a

91-percent interest rate in January to a 45-percent interest rate in February. We will lower the inflation rate even more, and this will have an effect on interest rates. Therefore, we have to struggle to reach acceptable inflation levels. Once we reach acceptable inflation levels, we can draft a credit policy aimed at further stimulating production. To achieve that, however, it must be clear that we must first pay those costs, and we ask the workers to make their contribution, a greater contribution. When all is said and done, a producer has his own property, he can defend himself. The only thing a worker has, however, is his labor force, and if he loses his job he must either look for another job or remain unemployed for a while. The producer, on the other hand, can defend himself.

Consensus Requires Sustained Efforts

We must understand that our duty now is to strengthen the economy. Economic consensus is not a magic word. It is not a miracle. Economic miracles are the result of the sustained efforts of workers and producers.

No magical results can be obtained overnight. The government, producers, and workers could sign an agreement right now and the situation would still not change. Agreements could be signed in Venezuela, Mexico, and all throughout Latin America and the situation would still not change without a true willingness to make progress. The main thing now is that consensus is already a reality in our country and it is now a matter of strengthening it. We have entered a new phase in which we are strengthening economic consensus. We are strengthening it with measures that the government has already taken. We are strengthening the efforts of the workers and producers. Above all, we have all become aware that we must act more responsibly. If miracles have not happened in other Latin American countries, they will certainly not happen in Nicaragua in a few days.

Miracles will happen in the long run, however. We will have a strong economy in Nicaragua, and that will give us resources to take care of the needs of hospitals and schools to improve workers' standard of living.

If we were to list what Nicaraguans' main tasks are, we would say that the primary one is the country's defense. It is not only a military but an economic defense. What are the economic tasks we are referring to? We are talking about agricultural production. We are talking about coffee, cattle, meat, and cotton exports. We are talking about sugar and basic grain production.

We must also take care of industrial production. We must concentrate our efforts and resources in that area. Insofar as we produce a real wealth and not an artificial one, we will have the resources to promote social programs and education.

There Is a Real Opportunity for Producers

Consensus has been a reality in Nicaragua since 19 July 1979. We have experienced difficult times. There has been distrust among all groups. There has been insecurity among all groups. All that is true. Regardless of all the distrust, insecurity, and limitations, there has been a revolutionary will and, therefore, a true opportunity for this country's producers. That opportunity has been maintained, because the revolution guaranteed it and because producers accepted the challenge of using that opportunity. They could all have very well fled this country, especially with the talk about terror that has been sold to everyone in Nicaragua throughout these years. All the producers could have fled the country. Most of them, however, stayed. Some left, but the majority stayed to criticize or support the revolution. The fact is that most producers stayed here. We now have very experienced human resources. We also have our workers' heroic strength. We must also talk about producers' heroic efforts. We must recognize the efforts made by hundreds and thousands of producers who, under fire and running the risk of stepping on mines along the way, have always taken care of production. Some producers even died in their struggle.

We are now experiencing a new phase in which the war is increasingly becoming a secondary issue. Total peace is getting closer to our country. There must now be greater economic efforts and responsibility. The cost that we will pay to revitalize and increase production will be less insofar as we are willing to act honestly and with security. If we do not act in that way, however, the cost will be higher.

In opening this fair, I must tell producers and workers that the Nicaraguan Government's decision to strengthen the system of mixed economy, to show Latin America and the Caribbean that it is possible to carry out a deep revolutionary change with the support of all of the country's social and economic forces, to increase production, and to take the country out of the crisis, is a challenge we accepted for the sake of all Nicaraguans and the people of Latin America, the Caribbean, and the Third World. All Nicaraguans—government, people, producers, workers, businessmen, and peasants—are committed to work securely, honestly, firmly, and responsibily to save our economy and promote development.

Central Bank Reports New Cordoba Devaluation

PA1503035889 Hamburg DPA in Spanish 0333 GMT 15 Mar 89

[Text] Managua, 14 Mar (DPA)—The Nicaraguan currency, the cordoba, suffered a new devaluation of 9.8 percent today in relation to the U.S. dollar, the Central Bank has reported.

The official exchange rate was set at 5,100 cordobas to the U.S. dollar after being quoted for 1 week at 4,600 cordobas to the dollar. The parallel exchange rate will be established within the next few hours.

This latest monetary adjustment is a continuation of the implementation of a policy of periodic readjustments to the exchange rate for the purpose of maintaining real prices of export products and services.

This latest exchange-rate measure immediately caused the price of fuel to rise. Each gallon of gasoline now costs 10,000 cordobas.

The measure will result in price increases in transportation, medicine, electricity, potable water, telephone rates, and other utilities.

Tinoco, Others Attend UN Verification Talks

PA1303185089 Managua Radio Sandino in Spanish 1200 GMT 13 Mar 89

[Text] A Nicaraguan delegation headed by Nicaraguan Vice Foreign Minister Victor Hugo Tinoco has departed for UN headquarters in New York.

The Nicaraguan delegation, which along with delegations from the four other Central American countries will participate today in the UN discussions to create mechanisms for on-site verification in the region, includes Tinoco, Nicaraguan Military Intelligence Chief Ricardo Wheelock, and Foreign Ministry chief adviser Mauricio Erdosia.

On 8 February the five Central American foreign ministers delivered a letter to UN Secretary General Perez de Cuellar asking him to coordinate the creation of an impartial mechanism for the on-site verification process in Central America.

On that occasion Nicaraguan Foreign Minister Miguel D'Escoto described that action as a historic step, recalling that since 15 January 1988 the five Central American presidents had asked their respective foreign ministers to coordinate all matters regarding on-site verification processes.

Contra Document Cites Conditions for Elections

PA1003145789 Tegucigalpa LA TRIBUNA in Spanish 8 Mar 89 p 3

[Text] Dissident contra leaders living in Miami have announced that they will participate in the Nicaraguan elections, but they challenged the Sandinist government to lay down its weapons and allow the creation of a national army at the service of democracy and not at the service of a party with an extreme ideology—if it [a national army] in fact has the people's support.

The Nicaraguan rebels said that "the aim of the Nicaraguan people's struggle for freedom has always been to democratize Nicaragua and not to obtain a small political advantage in exchange for the total and irreversible dismantling of our troops."

The crux of the contra dissidents' document is this statement: "If the declaration signed in El Salvador includes the provision that fair elections must be carried out in Nicaragua in 1990—elections that should be safeguarded by a national army that would guarantee the validity of the elections and not by an army at the service of one political party—we would immediately join the national political struggle."

The communique is signed by dissident commanders Tirso Moreno (Rigoberto), Walter Calderon (Tono), Diogenes Hernandez (Fernando), Pedro Joaquin Chamorro, Antonio Chavarria (Dumas), Victor Sanchez (Licenciado), Guillermo Arguello (Poty), Marta Zacasa, Gustavo Quesada, and Orlando Montealegre.

Almost all the commanders who signed this communique were expelled from Honduras in May 1988 after they rebelled against top Nicaraguan Resistance military leader Colonel Enrique Bermudez.

Contras Reportedly Regrouping for Attacks

PA1103194789 Managua BARRICADA in Spanish 8 Mar 89 pp 1, 5

[Text] Tegucigalpa—A source close to the contra leadership revealed that the contra forces grouped under the Nicaraguan Democratic Forces [FDN] are not demobilizing according to what was established in the agreements reached in San Salvador; instead, they are preparing to take offensive military actions against Nicaraguan villages near the Honduran border.

The contra member, who asked not to be identified, said that contra leader Enrique Bermudez ordered the restructuring of the principal FDN task forces and regional commands into company battalions to regroup more than 6,000 fighters under unit commands.

These new groups, he added, have been strategically relocated in places such as La Lodosa, Tapalchi, Playa Hermosa, and La Pintada—all in El Paraiso Department. Others have been established in Banco Grande and San Andres de Bocay, Olancho Department. All these sites are only a few kilometers from the Nicaraguan border.

According to the source, all new military leaders have received intensive tactical preparation for conventional warfare. We should recall that in February Enrique Bermudez spoke at the conclusion of the 17th course for new company leaders, warning them that they were entering a "new operational phase," despite the agreement reached by the Central American presidents.

The Honduran daily newspaper TIEMPO disclosed yesterday that the contras, located in the 400-square km area between El Paraiso and Olancho Departments, have killed thousands of cattle, which they have used to feed their troops and to carry out illegal contraband activity with El Salvador.

The Honduran newspaper report claims that the contras sell the Honduran cattle at about 800 lempiras to Salvadoran and Guatemalan smugglers. TIEMPO added that this price is twice the Honduran market price.

According to this newspaper, this situation has practically "bankrupted" meat processing firms, since they no longer have cattle to slaughter. According to official reports, meat exports to the United States have dropped from 65 million to 20 million pounds since the contras settled in the neighboring country.

Officials from the Honduran Corporation for Forest Development [COHDEFOR] informed TIEMPO that the contras have also destroyed the tropical rain forest in which they have settled, and that they even have illegally felled trees with chain saws and sold the precious lumber to Honduran lumberyards.

Hernan Hueso, from COHDEFOR's Danli office, gave assurances that the Honduran military has for several months been under orders to stop the illegal lumber trade. However, to date they have not been able to stop any contra shipments. Hueso complained to TIEMPO that he could not go to the area because "it is very dangerous and risky."

Meanwhile, a DPA dispatch reported yesterday that Honduran Foreign Minister Carlos Lopez Contreras, after meeting with Morris Busby, special U.S. ambassador to Central America, admitted that it is "probable" that new "humanitarian" aid will be received for the contras.

Lopez Contreras said that the "Honduran Government believes that more assistance is needed for national security reasons. However, he did not provide details on the danger to which he was referring. Paradoxically, he announced afterward that the Honduran Government is preparing a contra demobilization plan for the end of March, which will be reported to the foreign ministers.

The Sandinist Front's Regional Committee No 6 told BARRICADA that in the last few days the contras have once again started to kidnap and forcibly recruit civilians to complement their military units. He also reported that the contras are "forcibly regrouping" their former couriers and collaborators.

Editorial on Further U.S. Support for Contras

PA1303204489 Managua BARRICADA in Spanish 9 Mar 89 p 3

[Editorial: "The Contras Throw the First Stone"]

[Text] On Washington's signal the contras throw the first stone. This is the first sign that the agreements signed by the Central American presidents in El Salvador are being violated. After U.S. Secretary of State James Baker expressed support for the contras (21 February) on behalf of the Bush administration, the mercenaries reacted promptly. Bermudez announced that what he termed a "new operational phase" was getting under way. Not 1 month has passed since 14 February, when the isthmian presidents decided to dismantle the contra camps in Honduras and permit the contras to rejoin civilian life. Yet the United States is apparently fanning the war to destabilize the region.

While the peace agreements were signed in El Salvador to ensure stability in the Central American countries, representatives of the new U.S. Administration have said, without beating around the bush, that "support of the freedom fighters (...) will continue under the administration of George Bush" because the matter is "a moral obligation" for the new government.

The concern of Baker and Quayle, who quickly stated their stand, can be understood in light of the last aid package approved by Congress for the contras. It will expire on 31 March and—as White House spokesmen have announced—President Bush will request in the coming days that "humanitarian aid" to the contras be maintained.

The U.S. Government's justification is that "while we are giving diplomacy a chance," as Reagan said, "we are not going to abandon the Resistance now." The United States considers the mercenaries an important "pressure" factor against the Nicaraguan Government to ensure that it will comply with the agreements signed in El Salvador.

On the other side of the coin are the diplomatic efforts under way at the OAS and United Nations to organize and implement aspects of the agreements signed by the Central American presidents related to on-site verification of the disarmament, repatriation, and reintegration of the contras into civilian life.

However, the fact that the contras are entering an operational phase instead of starting the demobilization process, as Bermudez himself has said, indicates that the agreements signed in El Salvador are beginning to be torpedoed by the new U.S. Administration despite the Central American presidents' and international community's desire for peace.

This shows how ready the regional governments—particularly Honduras—are to fulfill their parts of the agreements and how far they are ready to go to maintain their autonomy and independence in spite of the United States, which seeks to prolong the war and have the mercenaries sow terror against the defenseless population. But something is certain: If the mercenaries persist in the attitude noted by Bermudez, instead of rejoining the country's political and social life they will clash head-on with the fighting spirit and bullets of the people.

Two Peasants Killed by Contras in Nueva Guinea

PA1403161589 Managua BARRICADA in Spanish 8 Mar 89 p 5

[Text] In contrast with the halt in offensive military operations implemented by the Nicaraguan Government, mercenary forces launched a new terrorist attack in northeastern Nueva Guinea on 4 March. Two peasants were killed, one wounded, and one kidnapped during the attack.

The contra attack occurred at 1230 in Colonia San Jose, in the South Atlantic Autonomous Region. Peasants Arnoldo Membreno Espinoza and Alejandro Membreno Alvarado died while defending their land. The wounded peasant was identified as Denis Zuniga Lopez, but the identity of the kidnapped peasant remains unknown.

The Defense Ministry issued a news bulletin condemning this new aggression by troops carrying out the terrorist policy of former Somozist Colonel Enrique Bermudez.

Japanese Experts Visit, Study Canal Feasibility

PA1103165889 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 9 Mar 89

[Text] Today the possibility of procuring the largest investment in Nicaraguan history emerged. It involves the construction of a canal providing an alternative to the Panama Canal. This controversial idea has been favored by foreign powers throughout history. Now it may materialize within the context of national sovereignty and independence.

A Japanese delegation made up of experts in maritime law, ecology, civil engineering, and urban design met today with the National Commission for Studies on the Construction of the Canal to begin preparing feasibility studies. The United States, Europe, and Latin America have also expressed interest in building the canal. Plans to build the canal date to the last century, when Lake Nicaragua and the San Juan River were the only routes between the two oceans. This route, known today as the transit route, became the subject of onerous treaties that undermined Nicaraguan sovereignty.

[Begin unidentified speaker recording] The Nicaraguan Government feels that the time has come to revive this historic Nicaraguan (?dream). [end recording]

Costa Rican political groups have reacted to Managua's announcement by demanding that they be consulted. They argue that Costa Rica is permanently entitled to freely navigate a wide stretch of the river. According to historical and legal studies, the [word indistinct] treaty does not give Costa Rica rights of ownership over the San Juan river.

[Begin second unidentified speaker recording] According to that treaty, Costa Rica has navigation rights—not ownership rights—over the final part of the river. The San Juan River is not on the Costa Rican border; the Coco River is. [end recording]

If built, the canal will be 290 kilometers long, cost several billion dollars, and be open to international trade. The studies under way may require approximately 3 years, and contruction may take 8 to 10 years. The group of Japanese technical and scientific experts will visit various proposed sites for the construction of the interoceanic canal.

Meet With Vice President

PA1403183289 Managua Radio Sandino in Spanish 1200 GMT 11 Mar 89

[Passages within quotation marks recorded]

[Text] Vice President Sergio Ramirez Mercado has met with the Japanese scientific-technical commission currently visiting Nicaragua. After the meeting, Ramirez reported that the commission briefed him on their ongoing feasibility study on the construction of an interoceanic canal through Nicaraguan territory. Ramirez also reported that other countries, such as Brazil, are interested in the project.

[Ramirez] "I also had talks with Brazilian representatives who recently visited Nicaragua. The project has been promoted by the Japanese commission; however, this is a large-scale project, and it will require large investments and financing from several countries."

Vice President Ramirez said Nicaragua has not spent money on the project.

[Ramirez] "Nicaragua is currently not spending money on this project. We have appointed a commission made up of local groups that are interested in this project to analyze the plan. We must study its effects on our natural resources and the environment, as well as its contributions to the development of agriculture, hydroelectric energy, commerce, and transportation."

In addition, Ramirez said the Panamanian and Central American foreign ministries have been informed of this project.

[Ramirez] "We have informed the Central American foreign ministries, including the Panamanian Foreign Ministry, of Nicaragua's interest in this project. We told

them we have already appointed a commission that will meet with the Japanese group. We have encountered no diplomatic problems over this project."

LA PRENSA Notes Presence of Soviet Plane

PA1103044189 Managua LA PRENSA in Spanish 7 Mar 89 pp 1, 12

[Text] The roar from the jets of a giant Soviet plane has twice caught the attention of Managua residents, especially those living near the international airport.

The powerful plane, without a doubt one of the biggest cargo planes in the world, has CCCP markings under its wings. In other words, it is part of the Soviet fleet. This plane, which rattles the roofs of poorly built houses near the airport, supposedly comes from Havana.

According to SOVIET MILITARY POWER, a yearly publication in which the Pentagon analyzes the status of the Soviet Armed Forces, the plane seems to be a Il-76 of the series known as Candid by Soviet [as published] intelligence services. The plane has been seen at least twice circling Managua during daylight prior to landing.

Doubtless it is a military transport, comparable in size to the U.S. Galaxy, or more likely the Star Lifter.

The Soviet Candid is one of the largest cargo planes in the world, although not the largest. It has a useful payload capacity of 40 tons with a 4,600-km flight radius.

When adapted to carry troops, the Candid can carry between 125 and 140 paratroopers.

SOVIET MILITARY POWER reports that the USSR has about 600 military transport planes, but the Candid has been the one seen most often in recent years.

It is possible that the USSR may have about 250 Candids, which were designed to carry twice the payload and have three times the range of their predecessor, the Cub.

What is not known is why—since Cubana de Aviacion has large transport planes of its own—this big Soviet military plane had to fly to Managua.

Intercity Transportation Fares Up 5 Percent

PA1203124289 Managua Radio Sandino in Spanish 1930 GMT 9 Mar 89

[Summary] Construction and Transportation Ministry authorities have announced, for the seventh time this year, a 5-percent increase in intercity transportation fares. The measure, which became effective today, will not affect urban transportation fares, taxi fares, truck fares, or minibus fares. Private colleges' transportation fares will also remain unchanged.

Panama

Costa Rican Violation of Airspace Alleged

PA1403225989 Panama City MEDIODIA in Spanish 14 Mar 89 pp 1, 2

[Text] Former Legislative Assembly President Camilo Gozaine has charged that Costa Rican Civil Guard helicopters have been constantly violating Panamanian airspace.

Gozaine, who represents Chiriqui Province's District 4-1 at the Legislative Assembly, said the latest violation occurred last Friday, when helicopters bearing Costa Rican markings approached Enrique Malek Airport in David.

The assembly maintained that this incursion occured at the same time that Panamanian President Manuel Solis Palma was at the airport.

Costa Rican President Oscar Arias recently established a contingent of soldiers on the border with Panama. This contingent, named the "Southern Command," is allegedly to protect the border area in case a conflict occurs in Panama.

Election Observers Meet With Tribunal

PA1503004289 Panama City Circuito RPC Television in Spanish 2316 GMT 14 Mar 89

[Text] A group of seven Latin American and U.S. observers arrived in Panama yesterday to learn about the upcoming 7 May elections. Among them is former U.S. Ambassador to Panama Ambler Moss, who was posted here during the government of late Division General Omar Torrijos Herrera. These gentlemen, who belong to the Council of Freely Elected Heads of Government [Consejo de Jefes Gobierno Libremente Electos], plan to meet during their stay with several groups, including government and opposition representatives.

The delegation—Ernesto Tapia Montaner and Carlos Luis Monge Sanabria of Costa Rica; Miquel Ocque of Venezuela; Mark Fierstein, Larry Gerber, Jennifer Lincoln, and Ambler Moss of the United States—held a meeting this morning with the Electoral Tribunal magistrates, which lasted for several hours. The observers were told of all the details of the election process, starting from the moment the vote is cast to the moment the final count takes place.

Former U.S. Ambassador to Panama Ambler Moss discussed his visit:

[Begin recording] [Moss] We have had a very productive meeting that lasted more than 2 hours. We have become acquainted with the election laws, rules, and procedures. My colleagues from Costa Rica, Venezuela, and myself had the opportunity to ask many questions. Therefore, we have accomplished one of our main goals, which is to

acquaint ourselves—this is a study mission—with the election process. I believe it very important for international observers, such as ourselves, to be able to come to Panama to acquaint ourselves with new aspects of the 7 May elections. We are very grateful for this opportunity. The Electoral Tribunal members have given us much information, provided all the documents we requested, and openly answered all our questions.

[Reporter] As a former U.S. ambassador to Panama, how do you evaluate your country's current relations with our country? Do you believe the U.S. attitude toward Panama might change after the elections?

[Moss] Frankly, like many other North Americans I am completely against the use of economic sanctions against Panama. I have testified before Congress to this effect. I believe my position is the same one held by the Catholic Church. I also believe these economic sanctions have been unjustly applied and have not achieved any positive effects either for the United States or for Panama. [end recording]

Electoral Tribunal President Yolanda Pulice de Rodriguez said the following:

[Begin recording] The international observers are very satisfied with all the information we have given them. They are very satisfied to learn that the Electoral Tribunal has a great amount of information and is already prepared for the 7 May elections. They have clearly told me that we know what we are doing. [end recording]

Solis Palma Speaks at Puerto Armuelles Ceremony
PA1103024889 Panama City Domestic Service in Spanish 2047 GMT 10 Mar 89

[Speech by Manuel Solis Palma, minister in charge of the Presidency, at a ceremony to inaugurate telephone lines in Puerto Armuelles, Chiriqui Province—live]

[Text] Ministers, deputy ministers, directors of autonomous institutions, Eng Luis Blanco [National Institute of Telecommunications, INTEL, director], Eng Arosemena, our friend and relative Jorge Abadia, Major Del Cid, compatriots.

I truly believe this is a great opportunity to express the government's and the Panamanian community's recognition for this man, Director Blanco, who along with his team, is leading—in an exemplary manner—an institution of which we are all proud.

In the trips I have made abroad—including my trips to New York, Venezuela, and Tokyo—I had the opportunity to see the technical work developed by those countries. None of the foreign visitors to the aforementioned nations had the facilities I had. I had a telephone installed in my room by INTEL technicians. Through that telephone I could called Panama without having to dial area codes and other codes. I called directly to Panama as if I were calling from one local telephone to another.

That high technology was admired by the other visiting presidents, who did not have that facility. It was not a luxury. That telephone line was an expression of development placed at the service of the work we were conducting.

We find that the INTEL team, its director, technicians, and personnel in general have a fighting spirit. We know they love the institution they work for. They are dedicated to their jobs, and their dedication is worthy of admiration.

I recall that when I returned from Japan, people asked me an unexpected question—because I thought I was going to be asked about the Japanese situation and what we could do. People asked me: What did you think about Roberto Duran's fight? I said I thought it had been an excellent fight, but what I admire in Duran is his courage, his faith in himself, his determination to continue forward when many of us had said he was finished. Yet, he said: I am not finished, and he moved on. While all of us advised him to retire because of his age and time, etc., he said: I will fight for another championship—and he won another championship. My admiration for him is based on his courage. I compare his courage with the courage of the Panamanian people and Government. At the most critical times, we did not surrender. We said: Let us continue forward and let us win the championship. [applause] [Crowd shouts: "Long live the president; long live the Panama Defense Forces [FDP]; long live Engineer Blanco; long live the government."]

That is the courage one finds in all of us, in the FDP, in Commander Manuel Antonio Noriega, in his entire General Staff, and in all FDP members. The FDP has an unyielding decision to establish and strengthen Panamanian nationality and to continue forward.

I am very concerned about something we have not discussed. Panamanian youths cannot truly appreciate the progress we have made, because when they were born, they already had houses, telephones in their homes, and electricity even in the most distant corners of the country. Our youths do not know those things did not exist before. When they were born, they already had roads, potable water, and health centers.

Our youths do not know why people live longer now or why Panamanians who used to have an average lifespan of 65 years of age now have a lifespan of 72 years of age. Those things did not happen by the grace of God. All those things are the result of the work that began in 1968. Our youths cannot appreciate those things, because it

seems we are afraid of saying where those things came from. [applause] [Crowd shouts: "Long live General Omar Torrijos; long live INTEL; long live our government."]

We let others silence us with their arguments. We remain silent although we have so much to say and do.

We recently delivered some promissory notes to cover part of the second and third installments of the 13-month bonus. We make enormous sacrifices to do that and to retain all public employees without reducing their wages or dismissing them en masse. We might delay salary payments for 2 or 3 days, but we do pay them.

We have also given workers days off, and this was not deducted from their wages. In comparison, the private sector was firing workers and reducing their wages by half. However, this same private sector criticizes the government because it does not work; this sector says it needs to have trust and faith. Trust and faith in whom? In those who really knows how to uphold the country's dignity or in those who are oppressing it? With what moral authority can they speak in this manner? [applause, slogans]

What is it you say? You have given us a paper that is not worth anything? But it has already begun to gain value. Yesterday a store announced it would exchange the notes for merchandise. Tomorrow, there will be more stores saying the same. The day afer that, still other firms will do likewise. The finance companies will eventually accept these notes, and we will make the notes an exchange instrument as we did with the checks at a specific time. [applause, slogans]

What worries us is we bend our heads when the notes are criticized. No sir. We have to raise our heads, because we are implementing new ideas and new ways to work. These are decisions that require courage and have been taken to preserve the country's dignity above anything else. This is what we have to say to all and without fear. We do not have to feel ashamed of this government. We do not have to feel ashamed of a process that has given the country what it was not given in 60 years of previous history. This is what we have to do. [applause]

Gentlemen, I believe this is a wonderful opportunity to highlight, once again, the work done by a great Panamanian named Luis Blanco and by Engineer Arosemena and his team. These men have increased services during this crisis instead of reducing them. They have not only increased services but have modernized them; we are now establishing the fourth most modern telephone station system in the world. Those of us who have already started to enjoy these new stations, know how wonderful they are, how quickly communications are obtained, and all the possibilities that open with it. The installation of the system required determination, courage, faith, seriousness, and a good amount of technical know-how. We should feel proud of them. I congratulate all INTEL employees—from its manager to the last employee—for their faith in the country, determination and courage in their work, and, above all, their love for Panama. With people such as these, we undoubtedly have the country's future ensured. Thank you.

Workers' Unions To Negotiate 13th-Month Bonus

PA1003141989 Panama City MEDIODIA in Spanish 7 Mar 89 p 6

[Text] A member of the leadership of the Coordinating Board of Government Unions has told MEDIODIA that the three installments of the government workers' 13th-month wage bonus will be negotiated by the Coordinating Board of Government Unions and the National Federation of Associations of Public Employees, FENASEP, with the national government.

The negotiations will be based on a package of measures that "the government has tucked away in some desk," the leader explained. He said that the package has not yet reached the cabinet council but that public sector adjustment measures have already been discussed. These refer to dismissals and reductions in wages.

The source said that the government was going to announce the package of measures at 1700 on 17 December 1988, but it changed its mind when the Coordinating Board submitted a proposal regarding the payment schedule for the 1988 13th-month wage bonus, which was still due and which consisted of the controversial notes distributed on 28 February 1989.

Therefore, the source explained, now the negotiations will cover an integral package, but due to the political situation—the 7 May elections, and everything else—this has remained in limbo. However, the matter has to be discussed to find a system that will include the 1989 government workers' 13th-month wage bonus and prevent a reduction in force. This is a pending commitment that must be discussed and negotiated with the Executive Branch.

FENASEP Opposes Issue of Promissory Notes

PA1503042289 Panama City Circuito RFC Television in Spanish 2321 GMT 14 Mar 89

[Text] Members of the National Federation of Associations of Public Employees [FENASEP] today claimed that the government has not upheld its end of the bargain in paying public employees their 13th-month bonus. The FENASEP members thus denied that this issue is being resolved, and they stated that officials supporting the IMF are trying to bring about a confrontation between the government and public employees.

[FENASEP leaders] Hector Aleman and Cesar Best addressed this issue and also announced that FENASEP would begin to pressure the government so it will discuss the negotiability of the documents [promissory notes issued in lieu of the 13th-month bonus].

[Begin recording] [Aleman] This matter has been discussed with public employees at various state institutions. We, as well as other directorate members, have attended several meetings with public employees, where we discussed the nationwide crisis and the reasoning behind the issuance of promissory notes. There is nothing new in this reasoning.

The problem is that the government has not met its end of the bargain in making these notes negotiable. If the government meets its end of the bargain... [changes thought] The government is now trying to meet its end of the bargain after all. I think you all heard the president say—I think it was in Puerto Armuelles—that these notes will be cashed by finance companies. Now they are discussing issues that we asked them to discuss before issuing those promissory notes. It makes no sense whatsoever for the government to issue you a note that you cannot exchange anywhere. It makes no sense at all.

We knew this would happen. We withdrew from that commission [not further identified] when we realized the government was in no condition to meet our proposals. We are against the issuing of these promissory notes under present circumstances. But the government has issued these notes anyway.

Why have we taken so long to address this issue publicly? We are experiencing very difficult times. Please rest assured that we have made our decision after consulting as many people as possible. It is absolutely illogical for a government with political aspirations—a government in the midst of an election process and worn out by a 22-month long crisis—to have the nerve to take a measure such as this. It will bring the antagonism of all public workers upon itself. That is illogical. One does not have to be a politician, or very intelligent...

[Best, interrupting] [Words indistinct]

[Aleman, interrupting] ...to realize that the government will antagonize the very people it wants to win over. We have tried to figure out what was behind this measure, why it was taken, and who was responsible for it. This way, we hope to understand the issue and then clearly present our proposals. [end recording]

Authorities Release Two Opposition Members

PA1103032289 Panama City MEDIODIA in Spanish 10 Mar 89 p 2

[Text] On 8 March, Panamanian authorities released Prof Diana Del Rio and Eng Roberto Sanchez Pena [name as published], who had been under arrest since 22 September 1988 accused by Military Intelligence of belonging to a subversive group that planned to carry out violent actions against the current government's main leaders.

An OAS Human Rights Commission had asked President Manuel Solis Palma and General Manuel Antonio Noriega to release both Del Rio, who had worked at the Gaston Faraudo School, and Sanchez Pena.

Arias on Opposition Plan To Alleviate Crisis

PA1003200989 Panama City Telemetro Television in Spanish 2300 GMT 8 Mar 89

[Text] According to Ricardo Arias Calderon [first vice presidential candidate for the Panamanian opposition], construction in Panama has decreased by 70 percent compared to figures for January and February of last year. Likewise, he added, tourism has dropped 20 percent and nontraditional exports 40 percent. Arias further noted that the opposition has devised a three-point economic plan to overcome the crisis.

[Begin Arias recording] First, we need to make the banking system fully operational again. Do people even realize that 350,000 families with savings accounts in the National Savings Bank and the Panama National Bank have no access whatsoever to their funds? As long as this is the case, we cannot say that the banking system is truly operational. To make the banking system fully operational, we must gain the trust of our entire civilian population and economic sector by means of a new government.

Second, we need to reorganize the government's finances. To begin with, we need to learn to live within a budget. For the last 2 years we have been living in total disregard for any sort of budget. We must put a halt to the excessive amount of corruption prevalent in the current regime. Having a budget is not enough; it must be administered with honesty. This is our second goal.

Third, we need to revive the demand for goods and services, to revive the production of these goods and services.

This brings us to a key issue. We will not be able to revitalize demand or production, or reorganize the state's finances, or make the banking system fully operational unless there is political change. This political change must have two characteristics: First, it must inspire trust within the civilian and economic sectors of Panamanian society. At this point, these groups absolutely do not trust the current administration. Second, the government should not only inspire trust; it should also stimulate international cooperation from international industrial democracies. These democracies must be allies in our development. [end recording]

Arias Favors 'Direct Talks' With FDP

PA1103140389 Panama City Circuito RPC Television in Spanish 2300 GMT 10 Mar 89

[Interview with Ricardo Arias Calderon, first vice presidential candidate for the Panamanian Civic Democratic Opposition Alliance, ADOC, by unidentified reporter; date and place not given—recorded]

[Text] [Arias Calderon] I believe that the best defense against fraud, which is already evident—and I have said

this many times—is to cast many votes. The more ballots we cast, the more people vote, the more clearly the Panamanians vote for the Civic Democratic Opposition Alliance ticket—for the legislators and community representatives—the less it will be possible for the planned fraud to succeed.

[Reporter] Do you think that a dialogue with the Panama Defense Forces [FDP] is timely or advisable?

[Arias Calderon] Our position on this issue has not changed. We believe that it is advisable to hold direct talks with the military on the basic issues if we want to find a peaceful solution to the crisis prevailing in our country and a democratic solution guaranteeing free and honest elections.

The basic issues are the need for a new role for the FDP, by which I mean that it should stop trying to control the political system and become a professional organization that supports a legal and democratic system. Moreover, a constitutional deadline should be established for the tenure of the current FDP commander, who has become a controversial figure making it difficult for the Panamanian people to peacefully coexist.

MOLIRENA Leader on Opposition's Obstacles

PA1003174589 Panama City Circuito RPC Television in Spanish 2300 GMT 7 Mar 89

[Interview with Gilberto Arias, Nationalist Liberal Republican Movement, MOLIRENA, candidate for legislator, by unidentified reporter; date and place not given—recorded]

[Text] [Arias] As I have said several times, the elections are a plebiscite to determine whether the present dictatorial regime remains in or leaves power. It is very evident that the overwhelming majority of the country believes the government system should be changed. However, those who now wield power continue to trample the people. There is no social communication, and they attack and beat opposition candidates and followers. I fear this situation will continue to intensify, and I also fear the situation will become desperate for the opposition.

[Reporter] With 2 months to go before the elections, what do you believe will be the opposition's tactics or initiatives in view of all the limitations you just pointed out?

[Arias] It will continue to struggle just as it has, and it will continue struggling until the government decides to hold the elections or stages a coup d'etat so the elections will not be held.

Survey Gives Advantage to Opposition's Endara

PA1003141789 Panama City Circuito RPC Television in Spanish 2300 GMT 9 Mar 89

[Text] The candidates with the best chances of winning the 7 May presidential elections are Guillermo Endara, 52, of the Civic Democratic Opposition Alliance [ADOC], or businessman Carlos Duque, 59, of the progovernment National Liberation Coalition.

This information was reported by ACAN-EFE. ACAN-EFE said the only survey results released in Panama give an edge to the opposition candidate, but that the government sectors questioned those results because the survey was conducted by special firms hired by parties belonging to ADOC.

The ACAN-EFE report states that instead of voting for or against a specific candidate, most Panamanian voters will vote for or against General Manuel Antonio Noriega remaining as commander of the Panama Defense Forces, although his position is not really at stake in the May elections.

Columnist Warns Against Voting for Opposition

PA1003183689 Panama City LA REPUBLICA in Spanish 8 Mar 89 p 5

[From the "Reporters' Notebook" column]

[Text] Neglected Panamanian sectors must beware of opposition political groups, which lack a defined platform and only want to reach power and turn the country over to U.S. imperialism. Everyone beware...do not let yourselves be fooled. The National Liberation Coalition has clear programs and goals: to defend sovereignty, to faithfully fulfill the Torrijos-Carter treaties, and to expel the last soldier of aggression from our territory.

Paper Gives Guidelines To 'Vote Conscientiously'

PA1103001989 Panama City PANORAMA CATOLICO in Spanish 5 Mar 89 p 3

["Guidelines on How To Vote Conscientiously"]

[Text] 1. Your vote is secret. No one should learn the name of the candidate you voted for. Voting is a personal act, which must be carried out responsibly. Christians perform this duty while asking themselves: "What would Christ have done under similar circumstances?" [accompanying illustration shows ballot being placed into a ballot box]

2. Because this is act is so personal, you should vote in full freedom. You should not yield to any terror campaigns, pressure, or threats by anybody trying to influence your conscience. [accompanying illustration shows voter entering voting booth]

3. Accepting any type of "gift" that attempts to influence your decision is humiliating. You should not sell your conscience. A conscientious person thinks before he acts. [accompanying illustration shows liquor bottle and dollar bills]

4. To think, however, you must be informed first. But propaganda is not enough. Just as we are entitled to truth, we have the right to seek it through diverse, serious, and reliable sources. Voting requires being objectively informed. [illustration shows mastheads and logos of various local news media, including the banned LA PRENSA, Radio Continente, and Panavision Television]

5. The country's destiny is fundamental. You should vote having in mind what is best for Panama and for genuine personal, family, and social development. You should not vote to defend selfish interests or the ambition to achieve power or social prestige. [accompanying photograph shows Panama City's Ancon Hill, which overlooks the city]

6. Panama's destiny is linked to the young people's future. The candidate who represents greater hope and the least frustration for the young people should be selected before voting. [accompanying photograph shows a crowd of young people]

7. Similarly, you should vote with the poor in mind, thinking which alternative assures greater social justice and an economic policy to meet the people's needs. [accompanying photograph shows low-income housing]

8. In addition, you should select the alternative that best ensures respect for human rights and precludes actions leading to fratricidal violence. [accompanying photograph shows men near a van]

9. Regarding the coming elections, you should think about the consequences of your vote. Alternate decisions do not entail similar consequences for the country's future. [accompanying illustration shows logos of the National Liberation Coalition, Civic Democratic Opposition Alliance, and the Authentic Panamenist Party]

10. Remember, you can influence Panama's course with your vote. By voting, you exercise your citizen's right to do so. Everybody should accept the people's will as expressed in the election results. Panama will be what its people want it to be. [accompanying photograph shows opposition rally]

We should think of Panama as a country of brothers where all of us can coexist and participate in normal activities. NOTE: In the period prior to the plebiscite held by General Augusto Pinochet on 5 October, the Social Pastoral Section of the Santiago, Chile, Archbishopric published 10 guidelines for conscientious voting. At this time, we have adapted the essence of those guidelines to the current Panamanian situation.

Columnist Criticizes THE TROPIC TIMES

PA1103012989 Panama City MATUTINO in Spanish 9 Mar 89 p 5

["Fausto's Mailbox" column by Jorge E. Ramirez: "Confessions of a General With a Virgin Sword"]

[Text] The U.S. Army has abandoned its traditional policy of noninterference in politics and availed itself of a newspaper edited by the U.S. Southern Command to openly interfere in the Republic of Panama's internal affairs.

The newspaper THE TROPIC TIMES, whose partisan policy favors the warmongering U.S. great capital and the turncoat puppets who play its game in our country, has set aside a large part of the news section to publish articles that violate our nation's sovereign rights and self-determination.

THE TROPIC TIMES' most recent edition, dated 3 March, prominently displays a front-page report, including a photograph, on the servile crusade's march on 2 March. In other words, the newspaper's editorial staff worked exclusively on the latest Panamanian political events and waited until the last minute to include the report on a Panamanian political event that concluded late in the night of 2 March. THE TROPIC TIMES' editorial staff showed a journalistic zeal that is only applicable to news media engaged in partisan politics.

The front page of that same edition also features the statements issued to REUTER by Dennis McAuliffe, the Panama Canal's brilliant U.S. administrator, the general with a virgin sword who is known in the Panama Canal Commission [PCC] as "Dennis the Menace," the comic strip mischievous boy who never matures mentally—a prodigious child who will grow old but will remain a child, although not a prodigious one.

The general with the virgin sword says the license plates' crisis, which has immobilized the vehicles of some PCC employees because they have no tax clearance certificates from the Panamanian National Treasury, is "improper and unprecedented" and represents "a deliberate violation of the Panama Canal Treaties, signed in 1977 by Panama and the United States. [quotation marks as published]

However, the general with the virgin sword, who flaunts a great number of medals for religiousness, good conduct, and cleanliness—like those given in our elementary schools—falls flat on his face in his vain attempt to discredit us, and unmasks the economic genocide perpetrated against Panama by his "democratic" government when he textually says: "In my opinion, the requirement only affects the employees of the PCC and other U.S. Government agencies that operate in Panama, WHOSE TAXES ARE DEDUCTED FROM THEIR SALARIES AND WITHHELD BY THEIR EMPLOYERS."

The REUTER correspondent comments: "Washington has forbidden the payment of taxes to the government, which is loyal to General Manuel Antonio Noriega, as part of a series of sanctions to oust him. The PCC, a U.S. Government agency, has been withholding taxes deducted from the salaries of approximately 7,000 PANAMANIAN EMPLOYEES.

The report continues: "McAuliffe said, using unusually strong words, that many PCC employees will not be able to get license plates for their cars, so they will not be able to travel to and from their work places in the canal area."

Dennis the Menace, the general with the virgin sword, shows his stupidity here: "Contrary to the treaties' mandate demanding full cooperation, the situation will have a marked adverse impact on the commission's ability to securely and efficiently operate the waterway; therefore, this represents a deliberate violation of the 1977 treaties between our two countries."

Where do we stand? Is it a romance or a tragedy? In other words, complying with the mandate for full cooperation, we—the constitutional Panamanian Government—have to lower our pants. However, as my father used to say: "If no one bends over, no one will mount them." Neither Gen Noriega nor President Solis Palma will bend over so Bush may mount them, much less a general with a virgin sword.

Dennis the Menace confesses with his statement that his democratic government has taken someone else's money. This is called unlawful appropriation and is included in a list of common crimes. They have appropriated money that belongs to the Panamanians who work for the PCC—because orders are carried out according to their interpretation, and Dennis the Menace's interpretation is very flexible, symbolic of the double moral standards prevailing in the White House.

The money deducted and withheld from the salaries of Panamanians who work in the canal does not belong to the U.S. Treasury. Turning this money over to the Panamanian Treasury does not involve turning over U.S. funds. The funds belong to the Panamanian people. However, the Republican election campaign costs a lot of money, so Dennis the Menace and the White House are using subterfuges to hide the real destination of the money deducted from our citizens' salaries. The money was stolen. Washington, D.C. is the crime capital!

PCC Employees Demand Transportation Subsidy

PA1103034089 Panama City LA REPUBLICA in Spanish 9 Mar 89 pp 1, 8

[Text] Panamanian employees are rallying around their union leadership to once again pressure the Panama Canal Commission [PCC], the binational organization that administers the Panama Canal, and Administrator Dennis McAuliffe in particular, to implement announced measures to solve the serious transportation problems that they are facing, as well as the problem of paying the taxes they owe to the national treasury.

Since 1 March, Panamanian PCC workers have been hindered because they are unable to use their private vehicles due to the fact they are unable to obtain their license plates and comply with Panamanian laws.

PCC Administrator Dennis McAuliffe has turned out to be a liar because he promised the union leadership and the Panamanian workers that they would be given 154 balboas each month to meet transportation expenses. This was to be a temporary solution, but McAuliffe has not yet handed out any transportation subsidies.

Panamanian workers, through their union leadership, demand from the PCC and its administrator that the workers be given the tax money that the U.S. Government is withholding from the workers. This would be the easiest way of resolving the problem. The workers are insisting that the most effective method to do this is for the millions that are being unjustly withheld be handed directly to the Panamanian treasury.

The union leaders have heard complaints from Panamanian workers that their immediate supervisors frequently complain because there have been cases of tardiness due to transportation problems.

The bosses demand that the workers arrive earlier than ever and threaten them with disciplinary action if they do not. The bosses sometimes decide it is necessary to relocate workers from where they are normally expected to report, without taking into account that many have no transportation to comply with these new demands.

INTEL Halts SOUTHCOM's Collect Calls

PA1103030689 Panama City MEDIODIA in Spanish 10 Mar 89 p 2

[Text] National Institute of Telecommunications [INTEL] general manager, Luis Blanco, has reported the Panamanian Government has stopped allowing U.S. Southern Command [SOUTHCOM] personnel stationed in the Panama Canal area from receiving long-distance collect calls.

The official stated the measure has been taken because of INTEL's difficulties in getting U.S. military personnel to pay for their long-distance collect calls.

According to government officials, the U.S. Armed Forces owes the Panamanian Government thousands of dollars in telephone bills and other public services. The total debt totals 41 million balboas.

SOUTHCOM officials, however, state they have covered most of these bills and that payments were made to a special account opened in the name of deposed President Eric Arturo Delvalle, whom Washington still recognizes as the Panamanian president.

On another subject, the INTEL manager did not give importance to the complaints presented by SOUTHCOM personnel about certain difficulties they experience when using telephone exchange 32 in areas under INTEL control.

Blanco stated that INTEL offers better service than that provided by telephone exchanges—such as 52, 56, and those beginning with 8—under U.S. control.

Executive Branch Decorates Nicaraguan Ambassador

PA1003172989 Panama City MATUTINO in Spanish 9 Mar 89 p 3

[Text] The Executive Branch has bestowed the Order of Vasco Nunez de Balboa in the Grand Cross Degree on Nicaraguan plenipotentiary Ambassador to Panama Alejandro Arguello Guzman. The decoration was bestowed through Decree No 29, which was issued on 6 March and signed by President Manuel Solis Palma and Foreign Minister Jorge Eduardo Ritter.

The order states that Ambassador Arguello Guzman has always demonstrated a sincere love for our country and people and has strengthened the close and cordial relations that exist between the two governments. The order adds that as a result of his positive actions, he has also contributed to strengthening the friendship that exists between our two nations and people.

Foreign Minister Jorge Eduardo Ritter, representing the Executive Branch, bestowed the order on the Nicaraguan ambassador at a ceremony in the Foreign Ministry's Ricardo J. Alfaro Room. This ceremony was attended by government ministers, members of the diplomatic corps accredited to Panama, and special guests.

'High-Level' XINHUA Delegation Visits

PA1003233389 Panama City Domestic Service in Spanish 1645 GMT 9 Mar 89

[Summary] High-level PRC XINHUA representatives visited Panama this week and held meetings with several Panamanian media groups. The delegation was headed by XINHUA Deputy Director (Pan Bing Gam), and included (Chu Suexiang), XINHUA's Home News for Overseas Service Department's deputy director, and (Wan Siuming), the development and planning bureau deputy director. The PRC delegation met with Panamanian National Information System officials Danilo Caballero and Victor Mirones. During their meeting they discussed XINHUA's news services to Panama and Latin America.

Argentina

Vice President Says Debt Proposal 'Positive'

PY1403184689 Buenos Aires Domestic Service in Spanish 1600 GMT 14 Mar 89

[Excerpts] [Relay from Government House] [Silvina Marinez Porta] Good afternoon. Vice President Victor Martinez has said that he thinks that it is very positive that the United States has changed its position regarding the Latin American countries' foreign debt.

The vice president has said he does not believe that the Administration of George Bush is waiting for the result of the 14-May elections in Argentina to implement the so-called Brady Plan, which replaces the Baker Plan.

After meeting with President Alfonsin, Vice President Martinez spoke on several topics. The main topic, however, was the new treatment to be given to the debt issue and the new philosophy the United States will adopt regarding the issue.

The vice president spoke about the Argentine Government's opinion on the matter, considering that the United States will implement the Brady Plan in Mexico and Venezuela within 2 months.

[Begin recording] [Martinez] Until more precise information is released all we can say is that in our opinion this proposal is important because it shows a change in the United States' position regarding the debt issue.

I am commenting on the foreign debt problem and the Brady Plan in general. I am not referring to any definite question made by you because not all the details have been released yet. We definitively believe that this change is positive.

[Reporter] Do you believe the United States is waiting for the 14 May election returns to comment on the details of the plan?

[Marinez] No, I do not believe so. [end recording] [passage omitted] [end relay]

Poll Shows Menem Ahead of UCR's Angeloz

PY1403195289 Buenos Aires Domestic Service in Spanish 1600 GMT 14 Mar 89

[Excerpt] According to a poll carried out by the company SOCMERC, 35 percent of the voters favor Justicialist Party presidential candidate Carlos Menem, while 31 percent of the voters favor UCR candidate Eduardo Angeloz.

This poll shows that there are 23 percent of undecided voters, a number considerably smaller than the 30 percent observed in former polls.

Meanwhile, 8 percent of the voters said they would favor UCEDE [Democratic Centrist Union] candidate Alvaro Alsogaray while 3 percent of the voters will favor Nesto Vicente, the candidate for the United Left coalition. [passage omitted]

Judge Orders 20 La Tablada 'Terrorists' Arrested

PY1503024689 Buenos Aires BUENOS AIRES HERALD in English 14 Mar 89 p 1

[Text] [NA-DYN]—Moron Federal Judge Gerardo Larrambebere yesterday ruled the preventive arrest of the 20 terrorists who took part in the attack against La Tablada's Third Infantry Regiment, considering them "co-authors" of very serious crimes punishable by life imprisonment.

The magistrate also ordered a 150-million-austral attachment on their individual assets.

The legal measure—which also formalizes the detentions of Friar Antonio Puigjane and Movement Towards the Fatherland (MTP) activist Cinthia Castro, both of whom turned up spontaneously at the courthouse—is the first resolution in the case.

Court sources said that the charges include illegal association, grave damage, aggravated murder and possession of arms and explosives, none of which are subject to release on bail. On that basis, they estimated that sentences would range between 15 years to life.

The resolution is based on the testimony provided by the detainees, some of whom claimed to have been taken on false pretences. They said they had suddenly found themselves in the middle of a violent shoot-out.

Nevertheless, Larrambebere considered that there was "a joint decision" to take over the base, explaining that since each participant acted of his own free will, they were all "co-authors" of the crime. The magistrate's position will be used by Federal Prosecutors Raul Plee and Santiago Bermudez for their presentation next month.

In related news, Defence Secretary Juan Gauna said yesterday that "with the two presidential decrees and the corresponding complementary law we will now be able to safeguard internal security."

Nevertheless, Gauna indicated that "the omnibus law destined to provide a legal context with which to crush possible terrorist attacks is still under study."

Bolivia

* 15-Percent Industrial Growth Projected in 1989

33480113b Cochabamba LOS TIEMPOS in Spanish 17 Jan 89 p B-5

[Text] According to information provided by the Ministry of Industry and Commerce, 40 percent of the industrial sector suffered the effects of the recession during 1988, while 60 percent of industrial firms "need only sell their products in order to continue growing."

It was announced that the govewrnment has formed something like "salvage brigades" which have been detailed to small industries and plants in a state of collapse, to analyze and assess the reasons preventing these firms from growing.

A 15-percent industrial growth in the country, which would represent a very modest rate of reactivation in this sector, will depend on the flow of foreign loans entering the country.

During the current administration, the government has projected an impetus for industrial growth amounting to approximately 15 percent, preferably among the sectors "which had no effective growth in 1988."

The industry and commerce minister, Luis Fernando Palenque, explains: "In 1989, without neglecting the 23 positive branches of industry that existed in 1988, we propose to look at the reasons causing 40 percent to have negative growth."

The minister reported: "We have detailed brigades to certain industries in the negative [growth] categories to analyze the reasons why those industrial groups have not grown, and to make some decisions aimed at eliminating their negative status and at attaining growth of about 15 percent in 1989; indeed this would be quite beneficial."

The informant noted that the most important factor for growth in the national industry will be the loan of $70 million (granted by the World Bank) to reprogram its debt.

"This will represent relief for the entire industrial sector, and so I think that it will be able to lend it the capacity to regain its local market."

Some Grow, Others Do Not

The minister of industry, commerce, and tourism was asked about the growth of the manufacturing sector last year.

In this regard, Palenque commented that the industry "as a whole is divided into 35 major branches, such as lumber, soft drinks, and alcoholic beverages. Among them, there are some firms (60 percent, including about 23 categories) that have experienced positive growth during this fiscal year, compared with 1987. This means that there was higher production in that 60 percent, and none will be producing more if they fail to sell."

The other 35 groups, that is, 40 percent, including about 14 large categories, experienced negative growth in 1987.

The informant added that the combination of both sectors "has given us a growth of 5.1 percent, because if we had considered only positive growth, we would have about 11 percent in the positive category, but the total was 5.1 percent."

A Branch in Recession

The minister explained that, last year, one of the branches of industry with the most negative indexes was the alcoholic beverages sector, with a negative factor of 2.5 percent; this is very regrettable, because this is just over half of the positive growth. "So that branch as a whole must be attacked, to eliminate this negative factor."

"It is unquestionably the contraband factor" that has played a major role in the decline of the alcoholic beverages industry. Palenque adds: "In this connection, the possibilities for the sector's regaining its market will be studied."

Doors Just Opened

Furthermore, the Ministry of Industries has announced that, in 1988, 571 new business firms opened, employing 3,979 workers, with an investment of 18,772,668 bolivianos out of a total capital of 53,198,905 bolivianos.

According to a report from the Ministry of Industry, since August 1985 1,859 industrial firms have opened, 24 of which belong to the first category, 58 to the second, 91 to the third, and 1,686 to the so-called fourth category, the designation officially given to small industry.

The details on the opening of new industries since 1985, the year in which the new economic policy went into effect, are summarized in the table which is included with this article.

Details on Opening of New Industries

Year	Opening of Industries					Total Capital	Capital Invested	Employees
	1st	2nd	3rd	4th	Total			
1985	1	7	2	127	137	262,225	170,752	539
1986	8	13	21	504	546	9,393,477	6,452,081	1,922
1987	8	11	24	562	605	36,458,853	19,077,063	2,573
1988	7	27	44	493	571	53,198,905	18,772,668	3,979
Total	24	58	91	1,686	1,859	99,313,460	43,472,564	-

Source: Taken from ANF [Fides News Agency]

* Poll Shows Banzer Leading With 28.2 Percent

33480118a La Paz HOY in Spanish 1 Feb 89 p 3

[Text] In the poll taken among Bolivians asking them to indicate which of the country's current political leaders they expect to have the greatest influence in the future, the spontaneous answers to these questions were as follows:

Leader	Percentage of the Population Considering Him Most Influential in the Future
Hugo Banzer Suarez	28.2
Jaime Paz Zamora	27.0
Gonzalo Sanchez de Lozada	11.0
Antonio Aranibar	2.6
Others	10.0
No answer	21.2

It is important to stress that among the different categories included in this study were some interesting results, as is be seen below:

By Age Groups

Leaders	(18-24)	(25-34)	(35-49)	(50andover)
Hugo Banzer Suarez	29.3	25.6	30.9	25.8
Jaime Paz Zamora	31.2	31.7	24.8	16.3
Gonzalo Sanchez L.	11.3	12.7	12.1	18.1
Antonio Aranibar	2.3	2.5	2.5	1.5

By Socioeconomic Level

Leaders	Upper	UpperMiddle	LowerMiddle	Lower
Hugo Banzer Suarez	51.9	37.1	28.8	23.6
Jaime Paz Zamora	18.5	20.8	28.1	27.6
Gonzalo Sanchez L.	22.2	18.9	15.0	7.8
Antonio Aranibar	-	1.7	2.7	2.8

By Cities

Leaders	La Paz	Alto	Santa Cruz	Cochabamba	Oruro	Potosi	Sucre	Tarija	Trinidad
Hugo Banzer Suarez	26.6	19.9	32.6	31.0	27.0	21.0	22.0	26.7	43.9
Jaime Paz Zamora	18.4	17.8	30.7	23.0	42.7	44.0	29.0	44.6	26.5
Gonzalo Sanchez L.	11.4	12.9	8.6	29.0	6.7	11.0	4.0	20.8	9.2
Antonio Aranibar	1.8	1.4	1.9	2.0	2.1	6.0	3.0	-	1.0

Now then, in reponse to the request, "Next, I'll give you a list of Bolivian politicians and prominent persons;

please tell me whether you have a favorable or unfavorable opinion of each of them, and if you don't know enough, say so, also telling us whether you have never heard of these persons," Bolivians expressed the opinions summarized below:

	Favorable	Unfavorable	Too Little Information	Never Heard Of	No Answer
Antonio Aranibar	17.3	20.5	28.4	26.3	7.5
Hugo Banzer Suarez	52.8	34.6	6.2	2.3	4.0
Jaime Paz Zamora	66.4	18.6	10.4	1.7	2.9
Gonzalo Sanchez de Lozada	37.9	29.6	17.4	10.2	4.9
Walter Delgadillo	8.5	18.0	27.3	36.8	9.4
Oscar Eid Franco	13.8	14.7	27.0	32.0	11.9

*** Aranibar Refuses Election Support to Banzer**
33480106c La Paz HOY in Spanish 29 Jan 89 p 11

[Text] La Paz, 28 January (IPS)—The coalition of the United Left (IU), with the prospect of finding itself among the four leading Bolivian political forces in the next elections, announced that it was negotiating on its support for the election of president and vice president, if the direct election should not give a victory to one of the candidates.

Antonio Aranibar Quiroga, presidential candidate of the IU, which is composed of six political factions, stated to IPS (Inter Press Service) that, in case it did not obtain a position among the leading groups in the elections, it would negotiate the support of its members of parliament with the social democratic Movement of the Revolutionary Left (MIR) or with the Nationalist Revolutionary Movement (MNR), the government party.

Bolivian law provides that if none of the candidates obtains an absolute majority in the direct elections of 7 May, the choice of the new government will be made by the National Congress at the beginning of August.

According to the polls, the political groups most favored for the May elections are the conservative Nationalist Democratic Action (ADN) of former president Hugo Banzer; the MIR, led by former Vice President Jaime Paz Zamora; the MNR, the government party, whose candidate is Gonzalo Sanchez de Lozada; and the United Left.

Aranibar rejected any possibility of negotiating and supporting the election of Hugo Banzer, the former dictator who held office from 1971 to 1978.

Aranibar stated: "We are going to vote in Congress for whatever force is disposed to make concessions on government policy to the United Left."

He specified that such concessions will basically involve the elimination of the practices of the free hiring of workers and of freedom of imports, which were adopted by the MNR from the beginning of its government in 1985, as a part of its neoliberal economic policy.

Aranibar said that "a government of the MIR or of the MNR would only involve a change of names in the executive branch of the government, because the neoliberal economic policy, which the IU opposes, would continue in force."

Nevertheless, he stated, Sanchez de Lozada is "a bourgeois who believes in democracy," and Paz Zamora, a social democrat, also has an inclination toward democracy, whereas Banzer has a "fascist" past.

Bolivian democratic experience over the past decade has shown that none of the candidates has won the absolute majority needed to form a government, as a result of which the elections of the president and vice president have been decided in Congress.

*** Tupaj Katari, MIL-Whipala Accord Viewed**
33480106d La Paz PRESENCIA in Spanish 30 Jan 89 p 11

[Text] The Indian Liberation Movement (MIL) of Whipala, represented by Emmo Valeriano, Blas Kunurt'aku, and Juan Choque, its leaders, has stated that it is carrying on conversations on a possible electoral coalition with Victor Hugo Cardenas, the candidate of the Tupaj Katari Revolutionary Liberation Movement.

These leaders state that they reject leadership by bosses; corruption; ethnocentrism, which they call "Aymara chauvinism"; and ethnic, racist, and fascist nationalism. They will disregard any agreement with other groups which have no influence in the countryside and among the Indian people and which only hold back the advance of the Indian people in their struggle for liberation.

They stated that the MIL-Whipala supports the present struggle of the United Trade Union Confederation of Farm Workers of Bolivia (CSUTCB) and morally and materially supports the hunger strike begun on 11 January. They indicated that the strike by the farmers is just, and they reject any form of physical force used against the farmers.

Finally, they criticized the government led by the MNR [Nationalist Revolutionary Movement] and the ADN [Nationalist Democratic Action] for the agreement made

covering the immigration of Salvadorans into our country. They said that at present the Bolivian government is not resolving the internal problems of the farmers and has had no human settlement plan for the past 30 years. This has brought serious consequences, such as the fact that large settlement areas have been abandoned.

Brazil

Flecha de Lima Returns From Netherlands

PY1403140889 Brasilia Domestic Service in Portuguese 2200 GMT 13 Mar 89

[Report from Brasilia by Gustavo Mariani]

[Text] According to Foreign Ministry Secretary General Paulo Tarso Flecha de Lima, who participated in international meetings in Quito, Ecuador, and in The Hague, Netherlands, the positions he has championed favor both Brazil and the cause of development. He said that he tried to demonstrate that the (?exploitation) of certain border areas is necessary in order to meet Brazil's legitimate desire for development.

According to Flecha de Lima, Brazil has made it clear at those international forums that Brazil will open new areas only with a high sense of responsibility and with full awareness of the possible consequences for its international relations. He, however, guaranteed that this does not mean relinquishing sovereignty.

Flecha de Lima said that Brazil accepts foreign cooperation as long as it does not violate Brazilian sovereignty.

The Itamaraty secretary general said the document he signed in The Hague is important because it embodies concerns about the enviroment shared by many important countries. He, however, thinks this document requires high-level administration.

Concerning the view of French President Mitterrand, that the countries that signed the document of The Hague sooner of later will have to delegate partial sovereignty over their territories for purposes of evironmental protection, Flecha de Lima was positive. [Recorded passage indistinct] [words indistinct] the Hague with Bernardo Pericas Neto, the Foreign Ministry under secretary for multilateral affairs.

CUT, CGT Sponsor General Strike in Rio

PY1503020589 Brasilia Domestic Service in Portuguese 2200 GMT 14 Mar 89

[Report by Dilmar de Oliveira]

[Text] [Announcer] The 1st day of the general strike called by the Sole Central Organization of Workers, CUT, and the General Central Organization of Workers, CGT, to protest the summer economic plan did not receive the support expected by the strike's sponsors.

The strike has only been observed partially and locally. Urban transportation and banking were the sectors that observed the strike to the greatest extent.

The strike paralyzed the subway, the metropolitan train service, the bus services, and the ferry-boat service in Rio de Janeiro.

The civil police have reported some incidents. However, Civil Police Secretary Helio Saboia described the incidents as normal and even praised the maturity of the workers.

Here is a report by Dilmar de Oliveira:

[De Oliveira] With the general strike sponsored by the CUT and the CGT, Rio de Janeiro residents are experiencing a Tuesday that almost feels like a weekend. The streets and avenues are virtually empty. All the bars, pharmacies, and shops are open. This has also been the case with the banks and supermarkets. [sentence as heard] The few banks and supermarkets that opened today had a reduced number of employees and customers.

The Rio de Janeiro districts experienced the greatest impact were Niteroi, Sao Gonzalo, and Volta Redonda, where virtually all sectors observed the strike.

Throughout the city, the sponsors promoted the formation of picket lines, and some disturbances were reported between demonstrators and policemen who tried to guarantee the right to work.

The military police are acting rigorously to preserve order. They have already arrested several picketers. Antonio Branco, the director of the trade union organization of Rio de Janeiro truck workers, was arrested in (Cascadura) and taken to a federal police station.

A military riot police platoon was posted at the headquarters of the trade union organization of trucks workers in downtown Rio de Janeiro. Two buses that were commuting between Caxias and Rio de Janeiro were taken to the truck workers trade union headquarters in Rio de Janeiro after the service between Caxias and Rio de Janeiro was interrupted by demonstrators. Buses were stoned throughout the Rio de Janeiro districts when they tried to ignore the strike adopted during a meeting that truck workers held (?recently).

In addition to the bus service, the federal railroad service, the subway service, and the ferry-boat service linking Rio de Janeiro and Niteroi did not operate in Rio de Janeiro.

Private cars circulated through the streets and avenues of the southern, northern, and western zones as well as the lowlands and downtown Rio de Janeiro without any problems and without the usual traffic jams typical of workdays.

During an interview a few minutes ago, Civil Police Secretary Helio Saboia described the first day of the strike as normal.

Saboia described as natural the disturbances reported today, stating that the strike is doing well because of the maturity of the workers.

Following a government decision, the civil police secretary went to Volta Redonda where strikers trying to block the Tancredo Neves Highway linking Volta Redonda with the President Dutra Highway clashed with federal policemen.

Poor weather prevented the helicopter carrying the civil police secretary from landing.

According to Saboia, the situation is already under control, and the Civil Police Secretariat has already contacted trade union leaders and municipal officials in Volta Redonda, confirming the end of the conflicts.

Price Freeze Lifted; Price Indexing Returns

PY1403223789 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Mar 89 p 1

[Text] The lifting of the price freeze began yesterday with the promulgation of Provisional Measure No 40 issued by President Jose Sarney. The measure corrects all the OTN [National Treasury Bonds]-based contracts signed before the Summer Plan went into effect according to the Consumer Price Index (CPI). In practice, this measure signifies the return of price indexing according to inflation. The measure, which is retroactive to 1 February, affects all financial contracts and financial market investments. The measure also establishes a preferential treatment for rent and construction contracts. Such debts will be corrected based on the same indexes of savings accounts. Government experts say the measure will not affect savings account earnings and guarantees. Meanwhile in Rio de Janeiro, Finance Minister Mailson da Nobrega said that the lifting of the price freeze will begin seriously only after a new salary policy is created.

Ministry To 'Reconsider' Foreign Debt Obligation

PY1403225489 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Mar 89 p 27

[Text] Sergio Amaral, the Finance Ministry's International Affairs secretary yesterday said in Brasilia that as a result of the increase in international interest rates the government will probably reconsider the terms of the Brazilian foreign debt agreements signed last year with the private creditor banks.

He reported to the Senate Foreign Debt Committee that the 3 percent increase of international interest rates in the last 12 months will represent a $1.5-billion increase in the Brazilian debt obligations, thereby completely annulling the efforts made last year to reduce the spread [preceding word in English] rate which reduced the Brazilian foreign debt by $400 million.

Amaral also admitted that the country could resort to a waiver [preceding word in English] (a formal request of pardon) declaration to receive the third installment of a loan negotiated with the banks last year. This installment, which totals $600 million and which will be disbursed by 1 April, is linked to the compliance of Brazilian commitments with the IMF.

The World Bank (IBRD) yesterday proposed to disburse a $1-billion loan for the Brazilian electricity sector in the next 18 months. The proposal was made by IBRD director for Brazil, Armeane Choski, who, together with two other IBRD assistants, yesterday met with Planning Minister Joao Batista de Abreu, Planning Secretary Ricardo Santiago, and Clodoaldo Hugueney, International Affairs secretary of the Planning Secretariat. Wadico Waldir Bucchi, Central Bank Banking director; Joao Batista Camargo, special counselor to the Finance Ministry; and Paulo Cesar Ximenes, Finance Ministry secretary general, left the meeting earlier than the rest.

In addition to Choksi, the IBRD was represented by Georges Papadopoulous, representative for Brazil; and Godindrau Nankani and Moham Munasinghe. Pedro Malan, Brazilian representative to the IBRD, was also present.

Yesterday in Rio de Janeiro, Finance Minister Mailson da Nobrega called Governor Orestes Quercia, Deputy Ulysses Guimaraes, and PT presidential candidate Lula da Silva "demagogues, because they transmitted to the public the idea that the Brazilian foreign debt could be repaid with a discount as large as 65 percent."

Chile

Reportage on Reactions to Fruit Poisoning

Interior Minister Report

PY1503014789 Santiago Television Nacional de Chile Network in Spanish 0016 GMT 15 Mar 89

[Address to the nation by Interior Minister Carlos Caceres; place not given—live or recorded]

[Text] Chileans, after having detected traces of cyanide in a very small grape sample, a few hours ago U.S. health authorities recommended the withdrawal of Chilean fruits currently distributed in the U.S. market, also recommending that the public not eat our fruit.

Concretely, the U.S. Health Department communique states that the traces of cyanide found in the fruit are not capable of making a child sick. However, until the situation is evaluated completely, they have ordered control measures which, in practice, mean a virtual halt of Chilean fruit exports to that market.

Although the Chilean Government does not share the decision adopted by the U.S. health authorities, it does understand the U.S. concern for the health of their consumers. Therefore, the Chilean Government trusts that with the cooperation of the U.S. authorities we will be able to find a solution to this problem. Chile will continue to be a reliable supplier to international markets.

It must be pointed out that in the past few days we received and investigated anonymous telephone threats announcing the poisoning of fruit exported to the United States. These threats have become a reality.

We Chileans know that our progress represents the defeat of those who advocate violence. We know that these people and their followers in Chile are interested in hindering our political development and economic well-being.

Right now, when we are on our way toward a strengthened democracy, terrorism, sheltered by the Communist Party which for many years has caused death and violence, does not hesitate to cause not only economic damage but social and moral damage, because it is seriously jeopardizing the jobs and well-being of thousands of Chilean families.

This action deserves repudiation and condemnation by all of us who want a coexistence marked by respect and loyalty to the superior objectives of the nation.

In view of these facts, the government has made a point of informing the people that all possible measures have been adopted to find those responsible for this damage, and to guarantee security in handling fruit throughout the entire exporting process, from the picking of the fruit to its arrival at its ports of destination. Moreover, all health-control measures that have been put into effect seek the fulfillment of all existing rules.

With this purpose, and at the request of those directly affected, tomorrow we will send supervisors of these safety measures to the fruit plants and to all the phases of fruit processing and transportation to prevent any attack against the quality of our products.

Through its own service and private laboratories, the Agriculture Ministry has considerably increased the amount of chemical tests carried out to detect the presence of harmful elements in fruit. To this effect, specialized institutes are analyzing the samples taken from their original plant and so far nothing abnormal has been detected.

With this purpose in mind, the agriculture and cattle service is working with the National Agriculture Association, the Chilean Exporters Association, and the Association of Fruit Producers to obtain the greatest amount of samples possible.

His excellency the president of the Republic has likewise ordered the finance and agriculture ministers to evaluate the social and economic damages that could affect the fruit workers, producers and exporters, so as to prevent any future danger to this important activity.

On the other hand, the Foreign Affairs Ministry and our embassy in the United States have contacted the U.S. secretaries of state, agriculture, health, and the special agency for health, drugs, and food to clarify, as soon as possible, this situation and to normalize our trade.

Unfortunately, we are in an evaluation phase and it is yet not possible to know how long this serious situation will last. I want to tell all the working men and women of this country that the government will make every possible effort to limit this unprecedented damage.

The citizenry must rest assured that the supreme government will adopt all the necessary measures. I ask you to maintain your high spirits, which is a characteristic of all Chileans, and which has allowed us to overcome the most serious troubles. Good evening.

Report on Minister's Speech

PY1403140089 Santiago Domestic Service in Spanish 1030 GMT 14 Mar 89

[Text] Interior Minister Carlos Caceres has called on Chileans to reject the new terrorist act against Chilean fruits exports. After midnight last night, Minister Caceres addressed the people through a national radio-television network to report on the U.S. decision to withdraw the Chilean grapes from the market. The decision was made after a few grapes were found to have been injected with cyanide.

Minister Caceres reported that the appropriate authorities are studying the possible consequences of this serious situation. He pointed out that the U.S. health services' communique made clear that the amount of cyanide found was not enough to make anyone sick, not even a child. The communique added, however, that until the entire situation is clearly analyzed, the authorities decided to adopt control measures that mean the suspension of Chilean fruit exports to the U.S. market.

In his report, Minister Caceres said that, although the Chilean Government does not agree with the U.S. health authorities' decision, it understands well the U.S. Government's concern for consumers' health. He added that the Chilean Government hopes to find a solution to this problem in cooperation with U.S. officials.

In the eyes of the international market, Chile will continue to be a reliable fruit exporter, Minister Caceres said. He added that, in the last few days, several anonymous phone calls warned of the poisoning of fruit that was going to be exported to the United States. The threats are now a demanding reality, he said.

Minister Caceres commented on the consequences of this criminal act:

[Begin recording, in progress]...terrorism supported by the PCCh. For many years, the PCCh has been sponsoring death and violence in the country. Now that Chile is on the path to a fully consolidated democracy, the PCCh does not hesitate to cause great damage to the country. This act will not only harm us commercially, but also socially and morally, because it will affect the jobs and welfare of thousands of Chilean families. This act must be rejected and condemned by all who fight for harmonious national coexistence and yearn for an orderly, respectful, and loyal attitude toward our most important national goals. [end recording]

Minister Caceres said that the government has already taken all necessary steps to identify those responsible for this damaging act. He added that security supervisors will be appointed to all packing plants and that they will supervise all stages of the fruit-packing and transportation.

[Begin recording] His excellency the president of the Republic has ordered the finance and agriculture ministers to evaluate the potential social and economic damage to fruit workers, producers, and exporters. The government is trying to protect the future of this important sector.

The Chilean foreign minister and our embassy to the United States have already contacted the U.S. secretary of state, the secretaries of agriculture and health, the health services, and the drug and food sectors, promptly trying to make the situation clear and to normalize trade.

At the present stage, however, it is impossible to determine how long Chilean fruit exports to the United States will be suspended. [end recording]

Minister Caceres called on all working men and women and assured them that the government will do its utmost to limit the damage in this unprecedented situation. The people must be sure that the government will adopt all the necessary measures to solve this problem, he said.

Communist Party Rejects Charges

PY1403200589 Santiago Radio Chilena Network in Spanish 1700 GMT 14 Mar 89

[Text] Rejecting the accusation of Interior Minister Carlos Caceres, the PCCh has reported that at least 1 week ago the government was aware of the problem of the Chilean grapes that were found to contain cyanide. This remark was made by PCCh spokesmen Fanny Pollarolo and Jose Sanfuentes.

[Begin Sanfuentes recording] The PAG [expansion unknown] and the Exporters Association [Asociacion de Exportadores] were aware of this problem at least 1 week ago because it had already been reported to the Chilean Government and the organizations by the U.S. Government.

This contamination of Chilean fruit, which occurred as a result of the lack of control by the government and the producers of the large consortiums, has occurred before. However, they, along with the U.S. agencies, were able to solve this problem internally and privately.

This time the problem became public knowledge, and it became impossible for the PAG, the government, and the Exporters Association to solve it. Aware of the problem several days ago, they fabricated a maneuver blaming terrorists in order to escape responsibility, the alleged terrorists in order to escape responsibility [Sanfuentes repeats himself] because the U.S. Government had disclosed a report to the public. [end recording]

In addition, Jose Sanfuentes asked Interior Minister Carlos Caceres to provide supporting evidence that the communists are involved in the poisoning of the grapes.

[Begin Sanfuentes recording] The PCCh categorically rejects the ridiculous remarks of Minister Caceres, who intends to blame the communists for the sanctions adopted by the U.S. Government against Chilean fruit.

The PCCh asks Minister Caceres to produce solid evidence that will support his groundless and rash accusation, an accusation that has not explanation but rashness and ill-minded anti-communist obsession of the regime.

The PCCh alerts the people to the ecological damage that is committed daily involving the good and life of Chileans as a result of the greed of the large economic groups and the government's reluctant attitude to control them, as evidenced by this situation. [end recording]

Sanfuentes asked for a special judge to be appointed to investigate this case.

PCCh leader Fanny Pollarolo has said that the producer and the consignment involved in the poisoned Chilean grapes incident have been fully identified. She refused to disclose their identity, however, stating that this is the duty of the National Association of Fruit Exporters [Asociacion Nacional de Exportadores de Fruta].

Pollarolo added that the grapes were poisoned because of the degradation of a chemical element in the vine, that is, the cyanide comes from inside the plant.

Admiral Blames Communists, U.S.

PY1403191089 Santiago Television Nacional de Chile in Spanish 1800 GMT 14 Mar 89

[Text] Admiral Jose Toribio Merino said that the case of grape poisoning is part of a plan to attack Chile. He made this statement during a luncheon with the government junta members in Government House today.

[Begin recording] [Merino] This is one of the many dirty tricks the United States has played on us because we are an independent country. The United States believes that we are all banana republics. Chile is not a banana republic, it does not [word indistinct] to any one. This is a dirty trick prepared from here by the Communists and the people over there.

[Unidentified reporter] What measures do you think could be adopted?

[Merino] We must seek other markets to guarantee the sale of our product and not depend on the United States [passage indistinct]

[Reporter] But you mean there is no cyanide in the grapes?

[Merino] There is none, and if there is, it is in such a small quantity that it is not important. All desinfectants contain some of this chemical. The issue is being twisted to harm Chile and nothing else. [end recording]

Foreign Minister Report

PY1403205789 Santiago Radio Chilena Network in Spanish 1700 GMT 14 Mar 89

[Report from the Foreign Ministry by Pia Diaz]

[Text] A few minutes ago, Foreign Minister Hernan Felipe Errazuriz reported that the harvest and the transportation of fruit will be suspended while measures are taken to confirm the quality and to normalize the marketing of fruit. He added that he disagrees with the attitude adopted by the United States on this issue.

[Begin recording] [Errazuriz] (?We are in) touch with them and we hope for close cooperation with the FBI and with the Specialized Food and Drug Administration agency. We hope that we will work with the latter because we believe that the solution will depend on both our domestic effort and also the U.S. effort.

[Reporter] Minister, do you believe that the measures against the marketing of fruit will be withdrawn...?

[Errazuriz, interrupting] I disagree. Of course, I disagree with the decision but I believe that we must work toward normalizing this matter rather than creating news...

[Reporter, interrupting] What other countries have taken measures similar to the one taken by the United States, minister?

[Errazuriz] Virtually all countries. [End recording]

Errazuriz added that President Pinochet told them [not further specified] to keep their spirits up and said that he hopes that fruit exports will be normalized.

The foreign minister announced that in the next few hours the agriculture minister will hold another news conference before departing for the United States.

The National Association of Fruit Exporters [Asociacion Nacional de Exportadores de Fruta] announced that within a few minutes, a number of recommendations to exporters will be made.

The National Association of Fruit Exporters directorate left the Foreign Ministry after a long meeting with the foreign minister.

The director of the National Association of Fruit Exporters has described the reaction of the countries purchasing Chilean fruit as desparate.

Ministers to Travel to U.S.

PY1503020589 Santiago Domestic Service in Spanish 2300 GMT 14 Mar 89

[Text] Agriculture Minister Jaime de la Sotta and Foreign Minister Hernan Felipe Errazuriz will leave tonight for the United States in an attempt to achieve the lifting of the ban on imported Chilean fruits. They will take Lan- Chile flight 141 that departs at approximately 2100 from Santiago and goes directly to New York.

In New York, the two ministers will take another plane to Washington and will arrive at approximately noon tomorrow. In the U.S. capital they will meet with officials of the Food and Drug Administration.

The main objective of the trip is to achieve the lifting of the ban on imported Chilean fruits. U.S. officials announced the ban over an unusual television network following the discovery that some Chilean grapes were laced cyanide. De la Sotta stated that this is an example of the damage that terrorism can cause.

[Begin de la Sotta recording] You can see and measure the scope of a terrorist act such as the one we have just experienced, the sole objective of which is to cause harm. This can be demonstrated by the advertisement, not a clear and concrete advertisement, but an anonymous telephone call by which they warned us, that is, they warned the embassies they called, that they would carry out such an act. This call was made 3 days after the departure of the fruit shipment. We attempted to control the situation to the extent possible, following technical procedures concerning the amount of samples taken.

Then we announced that the situation was under control, that it was an anomyous call and as such could not be taken seriously. Later, in the shipments that arrived in the United States last weekend, the presence of cyanide was detected in two grapes. [end recording]

De la Sotta added that all possible efforts will be made to overcome the impasse. The major problem now involves the 17 million boxes that arrived at their ports of destination ready for distribution. Now no one knows what to do with them. There are 7 or 8 million boxes more being shipped to the same ports, and 3 million boxes remain in the country, ready to be shipped. De la Sotta said that the cyanide was found in two single grapes.

[Begin de la Sotta recording] The essential thing, I believe, is [words indistinct] that the United States can adopt measures. We will talk with the health officials to give them the necessary assurances so they can lift the ban as soon as possible. [end recording]

In order to face the problem, the government has created three comissions to study the different aspects of the problem, the Agriculture Minister stated.

Finance Minister, Businessmen on Debt Proposal

PY1403151589 Santiago Domestic Service in Spanish 1030 GMT 14 Mar 89

[Ricardo Urzua Muniz commentary: "Positive Reaction to U.S. Proposal for Payment of the Foreign Debt"]

[Text] The Brady Plan, as the U.S. proposal on the foreign debt payment is already known, is being received positively in the Chilean economic sector. One of the positive reactions was that of Finance Minister Manuel Concha:

[Begin Concha recording] This proposal coincides with the attitude taken by Chile in the last few years. For many years, Chile has been repurchasing its debt at a reduced price and prepaying its debt. We can say, however, that the most characteristic feature of the Treasury secretary's plan is the fact that he is urging the commercial banks to reach agreements with the governments of various debtor countries and to reduce the debts by nearly 30 percent.

This proposal may help us in the future and may improve our balance of payments. We may benefit by having to pay less interest to the creditor countries. We currently owe nearly $1.7 billion. If this amount is reduced, will more easily assign these funds to the national productive sector. [end recording]

Jose Paulo Arrellano, economist of the Latin American Center for Economic Research, said that this proposal is extremely important because it will allow Latin America to stop sending abroad the money it needs to finance its development.

[Begin Arrellano recording] This proposal shows that the U.S. Government realizes that the current policy on the payment of the foreign debt can no longer be used. For the last 6 years, that policy has forced the Latin American countries to transfer resources totaling $180 million to the creditor countries. This amount is more than one fourth of our exports in the same period of time. [end recording]

Arrellano then corrected himself and explained that Latin America has paid $180 billion to the creditor countries.

Another positive opinion of the U.S. proposal is that of Daniel Platovsky, chairman of the Chilean Chamber of Commerce:

[Begin Platovsky recording] If this proposal is implemented, the net flow of Latin American capital to the developed countries will be reduced. The current large flow of capital harms national savings and hinders investments in Latin America. If this tendency is reversed through some type of support by the World Bank and the developed countries in general, I believe the Latin American problem will be solved faster. [end recording]

In summary, the hopes raised by the Brady Plan are positive for Chile and Latin America in general, although we are still waiting for more details.

These hopes are new, because until recently the United States maintained its position that the debt negotiations had to be held directly between debtors and creditors. This proposal will therefore change the previously adopted plans. Thank you very much.

Ecuador

Private Sector Comments on New U.S. Debt Plan

PA1503043189 Paris AFP in Spanish 0110 GMT 15 Mar 89

[Text] Quito, 14 Mar (AFP)—Although an official response has yet to be given to U.S. Treasury Secretary Nicholas Brady's plan to reduce the Third World's foreign debt, the proposed plan generated a variety of responses in Ecuadoran private circles, where it was hailed as historic and as a new plan with more adjustments [ajustes].

Former Ecuadoran Vice President Leon Roldos regarded the proposal as historic, because it "acknowledges the fact that it is impossible to pay" at a time when "virtually all debt renegotiations have fallen by the wayside."

The plan proposes the use of World Bank and IMF funds in the form of bonds, which debtor nations would exchange for their old debts with their creditors. In addition, debtor nations would have to agree to both institutions' adjustment programs.

In statements to the press, Roldos said that the U.S. position "has varied with regard to the demand for full payment of the debt, but it has not varied in regard to repayment conditions, which are being maintained, and that is important because pressure on countries to submit to the adjustment plans will continue."

For Leonardo Vicuna, president of the Guayaquil Economists Association, the Brady proposal "is a new plan that entails more adjustments."

Vicuna told the Ecuadoran daily HOY that "submitting to economic stabilization plans, which the IMF traditionally imposes, entails austerity, cuts in public spending on social programs, currency devaluations, wage cuts," and other measures.

Meanwhile, Guillermo Landazuri, president of the Quito Chamber of Small Industries, stated that the Brady initiative represents "an important step forward in understanding the problem...since it acknowledges that the size of the debt is totally disproportionate to the ability of our economies to pay it."

Landazuri added: "The essential goal is to reduce the amount of the debt through the use of the capital of financial institutions that purchase the debt."

In statements to EL COMERCIO newspaper, Landazuri pointed out that "a series of very important factors in the solution—such as situations linked to international commerce, unhindered access to markets, and the continuous deterioration in Latin American exports—have not been taken into account."

According to the newspaper report, Ecuadoran Monetary Board President Abelardo Pachano said that the government is analyzing the plan, which has brought about a change in the U.S. position, since it has placed the foreign debt at the center of discussions on international relations.

Pachano also told the newspaper: "The prices of our export products have to be tied directly to the foreign debt," in the same way "the flow of capital into our countries is for the production of export goods."

Pachano concluded by saying: It is also necessary for the World Bank, Inter-American Development Bank, government agencies, and the IMF to capitalize these debts so that we have at our disposal the funds needed for development."

Borja Praises Soldiers at Army Day Ceremony
PA0903222989 Guayaquil EL UNIVERSO in Spanish 28 Feb 89 pp 1, 3

[Quotation marks as published]

[Text] Quito—Emphasizing the importance of cooperation and friendship between the military and the country's civilian forces, Ecuadoran President Rodrigo Borja has stated: "Imitating Montalvo [Ecuadoran writer], I could very well say people who shake hands with each other do not kill each other."

President Borja spoke yesterday at the civilian-military ceremony in commemoration of Ecuadoran Army Day. The ceremony was held at the Eloy Alfaro Military Academy in Parcayacu. Borja stressed the virtues of the Ecuadoran soldier and the armed forces' contribution in maintaining the country's democratic regime. Borja again reiterated his call for a national concerted effort.

In his speech, Borja said: There are two ways to approach history. One is to limit yourself to recalling past actions, paying tribute to heroes, and sometimes even reading history textbooks with naive credulity. The other way is to interpret history's deep meaning, to review past actions with a critical sense, and to find their meaning. You must go beyond the mere chronological account. You must discover causes and foresee the effects those causes could have in the future .o learn the lessons history teaches us.

"I personally prefer the latter approach to history, because it is undoubtedly more creative, dynamic, and fertile."

President Borja added: "From that point of view, what happened at Tarqui, during which our forces covered themselves with glory, was basically the first blunt contribution to the efforts to divide Gran Colombia, to the attempts to destroy the Bolivarian world, which at that time was a great power. We must not forget six nations were united and we had a great potential in human and natural resources. The disintegration of Gran Colombia began in 1825. Peru and Bolivia separated from Gran Colombia. Panama became independent from Colombia, and Gran Colombia broke up. In short, Bolivar's dream was watered down.

President Borja recalled that Ecuador commemorates its Army Day on the day marking the battle of Tarqui and said: "This is the day of our Army, of our land forces, whose weapons were covered with glory on the slopes of Tarqui."

"As president of the Republic, trying to represent and interpret the Ecuadoran people's general feelings, I honor our armed forces, the best expression of the military part of our life—a cult of honor, discipline, and a disregard for risks; a spirit of sacrifice; an austere lifestyle; fulfillment of duty even at the cost of individual or personal interests; and learning through obedience to be able to assume a command later on."

President Borja later quoted Juan Montalvo's ideas about military life and added: "I believe no civilian has been more eloquent than Juan Montalvo when he highlighted the virtues of a military career and portrayed military life at its best. Montalvo said: The pen and the sword are sisters in nations that are free and have a

culture. The soldier is a friend and faithful custodian of the people; he sponsors art; industry is developed securely; the plow turns the land; and the seed germinates. A free and educated military man is the most esteemed figure; his chest carries honor; his heart carries courage; his arm carries strength; he walks proudly toward the defense of his homeland; and the blood he sheds in the battlefield fecundates our future."

The president added: "Assets and values I consider very important are subject to our armed forces' guarantee and custody: our territory's integrity, our borders' security, our sovereignty's inviolability—both in the domestic and external sense—our constitution's guarantees, the abidance of laws and legal guidelines in our social life, and the existence of a legal state. In other words, the state should abide by the law and juridical norms, so no one—government or people—may do anything not authorized by the law. A legal state is the only civilized form of social coexistence, and each citizen knows the political authorities' limits and the fact that it is forbidden to exceed those limits. This creates an awareness of juridical security, and a certainty that things are supposed to be a certain way and will continue to be because the law so states. Also, a nation's ruler is not authorized to carry out any action that violates the law; citizens are protected by the laws and must scrupulously fulfill their duties.

Borja asserted: "The legal state, this social coexistence according to the law, is one of the great values, categories, and achievements of our modern life—and it is equally guaranteed by our armed forces."

He also stated: "I am prepared to fulfill my duty as president of the Republic and to again issue an appeal for a national patriotic agreement involving all our country's men and women of goodwill. I am deeply interested in uniting civilians and soldiers, so we may work together. I want to quote Montalvo again and say that those who shake hands do not kill each other. My hope right now is for civilians and soldiers to shake hands and work together, exert themselves together, and overcome all the obstacles that preclude our economic and social development."

1988 Exports Increase; Imports Decrease

PA0703025989 Quito EL COMERCIO in Spanish 21 Feb 89 p 1

[Summary] Ecuador's exports during 1988 totaled $2.192 billion, representing a 14-percent increase over 1987. In addition, imports dropped to $1.517 billion during 1988, representing a 20-percent drop from 1987. This left Ecuador with a positive trade balance of $675 million in 1988. Oil sales abroad, which represented 35 percent of all exports during 1987, increased to $875 million, representing 40 percent of export sales during 1988. Total exports of other goods during 1988 were as follows: bananas and plantains, $297.8 million; lumber, $11.7 million; manufactured goods, $331.9 million. Coffee sales dropped from $192 million to $152 million.

Peru

Prime Minister on Terrorism, Drug Trafficking

PY1303150289 Lima Television Peruana in Spanish 0125 GMT 11 Mar 89

[Address to the nation by Prime Minister Armando Villanueva, given in Lima—live]

[Excerpts] I address the people of Peru, who are mobilizing themselves to defeat terrorism and drug trafficking. To defeat them, our country will have to attain its development in justice and democracy. This is the only way to establish peace. As the year 2000 draws near, and technological and scientific advances can improve standards of living, terrorist violence and drug trafficking have emerged as the greatest threat to mankind and the most serious challenge for contemporary Peru. [passage omitted]

In past years there was no awareness of the need for joint participation by the various sectors of society in this struggle against terrorism and drug trafficking. Past governments, organizations, communications media, and even the democratic parties have not given due importance to the armed struggle by terrorists. Today, the nation realizes that this is a struggle in which everyone must be involved. We must not waste time now, asking who is to blame for what has not been done. What is important now is that past experience has made it possible for the current government to overcome the situation of neglect. We can now affirm that we have an anti-terrorist plan and the indispensable equipment to implement it. We can look forward to the victory of democracy over terrorism and drug trafficking. [passage omitted]

We have determined that one of the objectives of the terrorist offensive is to disrupt the municipal elections in 1989, and to hinder the general election in 1990 to keep people from electing their deputies and senators and therefore from being properly represented. I have to sound an important warning not to play into the hands of terrorism in the belief that by protecting it or tolerating it, votes can be gained. The terrorist plan calls for the destruction of the democratic system in the country. To defend itself from terrorism, as President Alan Garcia has said, democracy must be anchored in a democratic revolution and transformation.

The process of infiltration in all kinds of organizations—labor, public, educational, peasant, and private—works as a fifth column of the terrorists, in an attempt to impede social change through the democratic participation of the productive forces. But perhaps the most important channels for terrorist action are the psychological activities and the communications media. The

publicity given their crimes works in favor of the terrorists, and we could state that without publicity there is no terrorism. As a member of the government, as well as in my capacity as a journalist, I call on the press and the media in general to give thought to whether terrorism is being aided with the type and extent of reports on its activities. I therefore invite all the social communications media to gather of their own accord, without government interference or pressure of any kind, to analyze the country's situation and their information policy in order to draw up an anti-terrorist code of ethics. This code cannot be handed down by the government. The communications media should establish their own norms to ensure the educational role of the press at the service of peace, honor, and life. [passage omitted]

I can announce that we will use more helicopters and new weapons, communications equipment, and means of transportation to aid the fight against terrorism. We will meet the new budgetary demands despite our present difficulties, and we will do it because this is a real war against crime, not a conventional war that can be waged under treaties or conventions. It is necessary for the state agencies and enterprises to understand that the fight against armed terrorism has priority. I will now read the text of the draft law we have prepared so that support for military and police action will take precedence over any other need. I will not read the introduction, but only the resolutions:

Article 1. The commanders responsible for the Armed Forces and the national police throughout the country can request civilian authorities at public institutions and officials of state enterprises to provide, on a temporary basis, support such as transportation, fuel, communications equipment, food, and buildings when such support is urgently required for the antisubversive struggle.

Article 2. The only requirement for the delivery of the abovementioned items is that the request be made in writing by the responsible commanders of the Armed Forces or the police.

Article 3. The Economy and Finance Ministry will issue the pertinent regulations, etc, etc. [passage omitted]

As of today the complete state and government structure, begining with the ministries and agencies, will give priority treatment to the antisubversive struggle.

As an example of this, the Education Ministry is intensifying the teaching of history. The knowledge of an integrated Peru through regionalization, and not disintegrated by centralization, will stimulate the cooperation of parents, teachers, and students in the struggle against terrorism.

We have already planned the first course on national defense for teachers. It is being coordinated by the Center of Higher Military Studies. It deals with the psycho-social and behavioral adjustment problems of teachers in relation to the influence of terrorist subversion. We have also implemented a large extra curricular educational program for the parents of students.

The Education Ministry has called on all Peruvian directors to meet, within 180 days, and to contribute in the antiterrorist struggle in Peru.

Regarding the subject of education, we must mention the Peruvian University. Autonomy does not mean interfering in other fields. Autonomy does not mean we should tolerate terrorist penetration in the universities or their being transformed into schools of terrorism. We respect university autonomy and we will defend it as we have always defended it.

The government will not permit university autonomy to be confused with the transformation of the universities into schools of terrorism or arms deposits. We will defend the students' right and duty to study, and we will defend the parents' efforts to send their children to the university. We want Peru to have competent professionals who know their country well and who will play an important role in its development and prosperity, and not in its destruction.

If terrorism takes over in the universities, the public will have to free them in name of the motherland which demands that the students must solve problems and not create them. [passage omitted]

We also feel that there are problems within companies. In the case of state companies, high posts carry great responsibilities. Those in high positions must set an example to the citizenry. This means that any director who does not work as of next week because of a terrorist threat must resign his post or face dismissal.

The peasants have taught us a lesson. The peasant Defense Patrols have set a serious and responsible example in the fight against genocidal terrorism. We thus intend to sponsor the creation of civic committees to prevent terrorist attacks. These committees must work alongside the public forces and must be apolitical.

We are inviting everyone to participate, regardless of their political leanings. The government is (?inviting them) and it will protect them.

We reject, and we will continue to reject, any kind of paramilitary organization. The government will sponsor the formation of these civic defense committees which must not, however, carry weapons and which must be created without any kind of political pressure. Neighbors must act together and share information. Let us not forget how in some slums thieves have been caught and turned in to the police. This is another way to defend oneself from terrorism without carrying weapons. We will enforce strict measures regarding carrying weapons without a license. [passage omitted]

Out of respect for today's youth, I will make them some proposals. Let us renew our old dream of creating a National Youth Fund, which we proposed in 1980, for those who have no capital other than their youth.

I also propose that the young people work in brigades to help improve their own neighborhood. They should help when a catastrophe occurs or when there is a problem in their poor homes. Let us turn today's youth into a generation of justice on its way to freedom. [passage omitted]

The courage to fight terrorism is not found only in the youth, the Armed Forces, the national police, the peasants, workers, the men of the democratic left. Sometimes we look despicably on businessmen, calling them bourgeois. Being bourgeous is matter of circumstance. The bourgeosie also lead a revolution, the French revolution. There is also a businessmen's class that is patriotic and fighting. Here is evidence: A few days ago, two businessmen came to see me. Here are the threatening letters they received, demanding that they buy bonds issued by the terrorists or be killed. A Che Guevara bond for 1 million intis, a De La Puente Uceda for 100,000 intis, a Micaela Bastidas bond for 5,000 intis, and a Tupac Amaru bond for 1,000 intis. They were given the choice to buy the bonds or be killed—like the businessman who was killed recently. These businessmen who came to see me told me of the threat and gave me their answer: the creation of a fund for the fight against terrorism. They said they would pay for it, because they did not want to suffer the humiliation of having to make payments to those who have turned crime into a political instrument. [passage omitted]

The fight against terrorism and drug trafficking suggests the establishment of a special budget. That is the formula; given by those two businessmen who offered to make donations to a fund for the fight against terrorism. How should this be done? I do not know, because I am not an expert in these areas. But I make the idea public: Do not pay bonds to terrorists. It will be better to create an anti-terrorist fund as proposed.

Furthermore, complementary legislation is also required, because our current legislation does not effectively addresses the scope of the struggle. I therefore announce that this year we will institute the single personal identification card, thus facilitating action against terrorists, whose identities are concealed through a variety of documents. We will introduce in Congress a bill on the possession of arms in order to reinforce an existing law that is not fully effective. We will propose that Congress create special courts to accelerate the prosecution of cases involving terrorism and drug trafficking. We also demand that the judiciary branch conduct trials behind closed doors, because publicity plays into the hands of terrorists. These closed-door prosecutions are established by law, and we hope the judiciary branch will take heed of this request, which is made with due respect for another branch of the state.

We are also studying a bill that will allow terrorists to be prosecuted under the military justice code and by military courts when they violate Article 282 of the Constitution regarding obligatory military service. I know that some will tell me that obligatory military service is only for those between the ages of 18 to 20. All Peruvians between the ages of 18 and 50 are subject to obligatory military service as part of the country's military reserve. If any citizen within this age bracket takes up arms against his own country and the country's Armed Forces, police, or state, he violates a constitutional provision and is therefore liable to be tried by the military. [passage omitted]

Countrymen: It seems that my speech is taking more time than I promised it would. I have, however, described in general terms the struggle in which Peru as a nation is engaged against those who would deny our nationhood. I have tried to bring into your homes the reality of the situaiton in which we live in the fight against terrorism. I just want to add a few more considerations.

Yesterday morning, the nation's president, talking to foreign press correspondents, laid down some notions that are inherent and substantial in the antiterrorist struggle. There will be no victory over terrorism unless profound socioeconomic changes are brought about in Peruvian democracy—changes to overcome problems, to keep the poor from getting poorer and the rich from getting richer. The final victory over terrorism, as President Alan Garcia said, totally depends upon social justice, narrowing the gap between poverty and wealth. We do not intend to take wealth from those who have earned it with personal effort. We must respect and protect this wealth. [passage omitted]

For that reason, peaceful and democratic changes are necessary and they should be made possible by government sensitive to the people's needs. Only then will terrorism will be defeated for good. I hope this will be understood, and I hope my words, at a time when I no longer entertain electoral ambitions, will be heeded. [passage omitted]

I invite the top political leaders not to reach a political or economic agreement but to make an effort for democracy through their parties and youth factions. I invite all productive and intellectual sectors to join in, not—I invite all productive and intellectual sectors to join in, not—I reiterate—for reaching an economic agreement, but to reach an understanding to eliminate violence and obtain peace.

I invite Mr Fernando Belaunde Terry, my 1980 contender in the elections who defeated me fairly because he won legitimately, to participate. I always recognized in him a great Peruvian democrat.

I invite Luis Bedoya Reyes and those United Left members who really (?believe) in democracy to participate. I invite the new front's candidate, writer Mario Vargas Llosa. Let us get together to talk. Let us meet as Peruvians, and let us not give a partisan interpretation to this meeting.

I think the time has come for us veterans—except Vargas Llosa who is too young—to work hard and decently to attain the effort we are now proposing.

I want to say that I am very satisfied with the victory obtained by Peru in the UN Human Rights Committee in Geneva. There, Mr Delgado Barreto, Peruvian senator for the Christian Democratic Party, was able to demonstrate that the Shining Path is not a political movement but a terrorist movement, thus preventing other Peruvian voices from deceiveing the UN Assembly.

This victory has demonstrated that we are not considered human rights violators. Yesterday for the third time in the UN Human Rights committee I was appointed president of one of its most important committees. This demonstrates that they do not consider me an enemy of human rights. This means that President Alan Garcia has a president of the council of ministers who, like him, is not an enemy of human rights but a defender of human rights. We base ourselves on the respect for the authorities, for life, and for the constitutional principles which guarantee the safety of the people.

I hope that my words will reach the people and that all those of us who have a high post of responsibility will be worthy of our people. This is the only way in which the Peruvian people will be worthy of their leaders. Thank you.

Garcia Comments on Policy Toward IDB, Exports

PY0903133989 Lima Television Peruana in Spanish 0100 GMT 9 Mar 89

[Excerpts] This afternoon President Garcia said that Peru has been seeking new ways to obtain more credit and to postpone payments to the IDB. He also said that some people are not well informed regarding certain aspects of this issue and threfore fear the consequences. He added that Peru has not broken relations with the IDB.

[Begin recording] [Passage omitted] [Garcia] The statement that Peru is ineligible is unimportant. This is part of the game rules. The problem is that our decision has caused accounting difficulties for the IDB. This does not mean that we have broken relations with the IDB. We are seeking ways to ensure that the IDB disbursements to Peru will be larger than we have to pay the IDB this year. All Peruvians will agree that it is good business to get more from an institution than one has to pay. The current figures indicate that if Peru pays $101 million, $101 million, [Garcia repeats himself] before 30 April the IDB will lend us only $17 million in exchange.

We will study new projects, but we must be sure that resources for new projects will be disbursed. It will ensure Peru of a positive balance of payment if this balance between the money that enters and the money that leaves the country is maintained.

Some ill-minded politicians have said that there have been no new projects. I can assure you that there have always been new projects. Since 1985, Minister David Tejada has repeatedly traveled to Washington seeking to obtain a $35-million loan to reactivate the provincial hospitals. We have been trying to obtain this credit for 4 years now. [passage omitted]

These projects have been with the IDB for a long time and, so far, we have not managed to obtain the credit. The approval of new credits has been delayed for years. We have now reached a stage where we must pay five times more than what they will lend us. We must pay $101 million to receive $17 million. Now is the time to say: Just a moment, my friend Enrique Iglesias; let us first solve this problem. I will not easily agree to let a huge sum leave the country in exchange for nothing. Let us together find a country or institution that will grant us a bridge loan that will enable me to pay you, and ensure that our relations will be maintained on a positive basis.

Let us ensure the approval of funds to finance the project for the reactivation of the provincial hospitals and the construction of roads and sewage systems for the slums. We have been trying to obtain these credits for 3 or 4 years.

It is now the time for the IDB to approve these projects and disburse the funds. Only then, will there be a well-balanced relations between the IDB and Peru. I believe this will be good business. [passage omitted]

[Reporter] Mr President, what concrete measures will your government adopt to obtain new money from the IDB or any other international organization?

[Garcia] First, to export more. To maintain the exchange rate at a level that may really ensure that minerals are exported without increasing the domestic inflation rate because the real fresh dollars are obtained through exports. In the last 20 years, foreign credit has been proven to be a myth in Latin America. In the last few years all latin american countries, without any exception, have sent abroad more money than they have received. [passage omitted] [end recording]

Cuban Vice President Makes Stop Over in Lima
PY1403230689 Madrid EFE in Spanish 2200 GMT 14 Mar 89

[Text] Lima, 14 Mar (EFE)—The Latin American and Caribbean region countries must united to seek their own solution to the foreign debt problem, Cuban Vice President Carlos Rafael Rodriguez said today in Lima.

He said that these countries should meet to exchange points of view on the foreign debt.

"Perhaps the meeting should not be held to decide not to pay the debt but to find out a new point of discussion that could lead us to the appropriate way," Rodriguez said.

He said that the Americans are begining to understand that it is impossible to pay the debt, that is why they are now speaking of reducing it.

Rodriguez said that the foreign debt is "the Latin American and Caribbean region's great problem. These countries must organize their forces against imperialism because the debt cannot be paid." He praised attitudes like that of the current Peruvian administration, which is using only 10 percent of its annual exports to pay its debt. "It is impossible to pay the debt when our income from exports is reducing increasingly. Latin America has lost $80 billion in the past few years as a result of the drop of its export products, while at the same time it has had to pay $180 billion for its debt at an annual rate of $39 billion." Rodriguez stated.

The Cuban vice president remained in the Jorge Chavez International Airport in Lima for an hour on his way to Sao Paulo, Brazil, where he will attend the dedication of the Latin American memorial and a foreign debt conference.

He was received in Lima by Prime and Interior Minister Armando Villanueva del Campo. Villanueva said that the Cuban vice president is "a great friend of Peru, just like Cuban President Fidel Castro" whom he described as a "continental patriot."

Villanueva said that Carlos Rafael Rodriguez could come to Lima next 22 or 23 March on an unofficial 24-hour visit.

Villanueva transmitted to Rodriguez the greeting sent by Peruvian President Alan Garcia to Fidel Castro.

Barrantes on Foreign Debt, Domestic Issues
PY1403140989 Madrid EFE in Spanish 0356 GMT 12 Mar 89

[Text] Lima, 11 Mar (EFE)—United Left (IU) leader Alfonso Barrantes Lingan, former Lima mayor and former IU president, today called for the unity of Latin American and Caribbean countries to jointly deal with the foreign debt. During a meeting held in Lima, Barrantes said that "the unpayable debt and the ensuing IMF demands jeopardize third world countries."

Barrantes said that Latin American and Caribbean peoples are urging their governments to jointly negotiate their debts. He added that the "Group of Eight" can achieve this and help to impose a new international economic order.

Barrantes said that there are several proposals to solve the foreign debt problem, "but since it is unpayable, an agreement should be reached to reject the adjustment policies. This would avoid deaths such as those that recently occurred in Venezuela."

Barrantes said: "The horrible misery that plagues third world countries must be stopped." He also rejected the idea that the governments should refuse to pay the debt "because the people always end up paying the consequences."

Barrantes added: "As the unforgettable Chilean President Salvador Allende said, Latin America must have a single voice. Governments should be popular so that the people can participate in the decisions. If they do not, our democracy will merely be a formality."

Barrantes charged the ruling APRA with "making the poor people poorer and the rich people richer," adding that the APRA has lost all credibility among the people.

He said that the IU "will win the 1990 elections, with or without Barrantes." The IU leader said that some constitutional ammendments should be made. He cited as an example the ending of the two-chamber system.

Barrantes said that institutions such as the church, nationalistic businessmen, and the armed forces should participate in the construction of a really democratic Peruvian society.

Barrantes stated that the IU does not intend to destroy the Armed Forces, "which are part of the nation. We want to serve the fatherland." He recalled General Juan Velasco who in 1968 installed the revolutionary government of the Armed Forces after ousting constitutional president Fernando Belaunde.

"We do not want civil war. We want peace," Barrantes added. He condemned terrorism and said that while guerrilla movements in other countries hold talks, this is not the case in Peru. According to Barrantes, this reveals that the Peruvian movements are not revolutionary organizations.

Barrantes criticized the radical sectors of the IU that oppose his presidential candidacy. He stated that he respects the agreements signed during the first IU congress held in December 1988, but only "the democratic ones."

Barrantes has been proposed as a presidential candidate for the 1990 elections by the socialist convergence and the non-partisan socialists, which are sectors of the IU. Barrantes said that socialism is going through a period of innovation, and a period of elimination of dogmas. He gave as proof of this the Soviet "perestroika," which does not invalidate the principles of Karl Marx. Barrantes also rejected the neoliberalism and the old dogmas.

The tone of Barrante's speech, which lasted almost 1 hour, was purely electoral although he denied any such purpose.

50 Guerrillas Reportedly Killed in Shoot-Out

PY1403204789 Madrid EFE in Spanish 1602 GMT 14 Mar 89

[Text] Lima, 14 Mar (EFE)—According to police reports released today in Lima, some 50 Tupac Amaru Revolutionary Movement (MRTA) guerrillas were killed on Monday in a confrontation with Peruvian police in a Peruvian jungle zone.

Some media, however, are more cautious in announcing the number of guerrilla casualties, because if that number is confirmed, it will be the bloodiest battle since 1980, when political violence began in Peru.

The clash, during which 3 policemen were also killed, took place in Pichanaki, in the Perene River zone 400 km southeast of Lima, when the local police station was attacked by a MRTA column of approximately 100 men.

The attackers and members of the Pichanaki Police post, in the Junin Department, bordering the Lima Department in the east, engaged in an intensive 6-hour shootout.

The guerrilla column began the attack at 0300 in the morning, apparently to seize weapons from the police station. They ran into unexpected resistance, however. Second Lieutenant David Chavarry, Sergeant Remigio Torres, and Guard Pedro Ordaya, all members of the national police, died in this attack.

Three other guards were also wounded. The modern weapons the police used allowed them to resist the attack for 6 hours, during which some 50 guerrillas died, according to reports released in Lima.

Pichanaki is a town of settlers, farmers, and cattle grazers living in the rich agricultural and coffee producing zone of Chanchamayo. "MRTA" guerrillas, as well as Shining Path Maoist guerrillas, are infiltrating that area.

This has led many farmers, especially coffee producers, to sell their properties and leave the zone to look for calmer pastures. Many of them have emigrated to Paraguay.

The defenders of the Pichanaki police station belong to the special anti-guerrilla group "sinchis." The group is already accustomed to the anti-subversive war that has killed some 13,000 people in Peru since 1980.

Police forces from different garrisons are pursuing the remaining members of the subversive column who fled to the woods.

The MRTA guerrillas emerged in the central Peruvian jungle in 1987, headed by Victor Polay Campos, one of the leaders of the organization, who was detained last month in Huancayo with a female accomplice.

The MRTA seems to be very active. Last Friday in Lima, alleged MRTA members entered the offices of the enterprise "ARMISA," which manufactures weapons and ammunition, and seized, according to the newspaper LA REPUBLICA, 5,000 cartridges and an unspecified number of firearms.

The attackers took 10 workers hostage, all of whom were released one by one following the terrorists' escape.

By way of telephone calls to Lima newspapers, the MRTA claimed the attack on the weapons factory and an attack carried out last Saturday against a light police tank that was guarding the provincial headquarters of the ruling party in Lima.

Uruguay

Broad Front Coalition Splits; PGP Leaves

PY1403185989 Madrid EFE in Spanish 1501 GMT 14 Mar 89

[Text] Montevideo, 14 Mar (EFE)—The leftist Broad Front (FA) coalition, which is Uruguay's third largest political force, today split as the lawmakers from the Party for the Government by the People (PGP) stopped participating in the joint FA congressional meetings.

The National Executive Committee of the PGP, a social democratic party, met on 13 February and passed a recommendation by its secretary general, Senator Hugo Batalla, not to participate in the elections scheduled for 26 November 1989 as a Broad Front faction.

A letter with the Batalla recommendation was approved by 22 of the 27 executive committee members, who also decided to withdraw the PGP representatives from the Broad Front's national and departmental organs.

A majority faction within the coalition, the PGP obtained 40 percent of the Broad Front votes in the 1971 general elections and—after 12 years of military government—in the 1984 elections.

The Broad Front was founded in 1971 as part of an accord among Social Democrats, Christian Democrats, Communists, Marxists, Socialists, Maoists, Trotskyists, and Liberals.

The PGP decision, similar to one made by the Christian Democratic Party (PDC), is the consequence of a confrontation, which has lasted several months, between the coalition's moderate and radical sectors.

The moderate sectors mentioned the possibility of restructuring the coalition, but their proposal failed due to strong opposition from the other sectors, must notably the Communist Party (PCU).

The PGP and the PDC support the candidacy of Senator Hugo Batalla for the November elections, while the rest of the coalition is backing the candidacy of Broad Front President Liber Seregni.

The sector led by Batalla has 11 of the 21 deputies and 3 of the 6 senators of the FA who, as of today, will no longer attend the joint congressional FA meetings.

In his letter to the PGP National Executive Committee, Batalla said that in the future "we will seek political accords, no matter how minor." He opened the possibility of reaching accords with the Civic Union, which is a Catholic party.

Government Sets New National Minimum Wage

PY1103171789 Buenos Aires DYN in Spanish 1352 GMT 10 Mar 89

[Text] Montevideo, 10 Mar (AFP)—The Uruguayan Presidency has reported that the government has set the national minimum salary throughout the country at 40,400 new pesos ($80), effective 1 March.

The new minimum wage is an increase of 16 percent compared to the previous salary, which was 34,800 new pesos.

Venezuela

Most Workers To Receive Salary Increase

PA1503030289 Caracas Venezolana de Television Canal 8 in Spanish 0003 GMT 15 Mar 89

[All figures as heard]

[Text] As of tomorrow, all Venezuelan workers will receive a salary increase. Public employees will receive a 31-percent increase. Private employees will each receive a 2,000-bolivares increase. The latter increase also applies to government employees hired on contract.

[Begin unidentified reporter recording] The salary increases will apply to all employees except apartment concierges and domestic help. The Venezuelan Federation of Associations and Chambers of Commerce and Industry, Fedecamaras, the Confederation of Workers of Venezuela [CTV], and the executive branch all believe that because these employees have no housing and food costs, they are better able to withstand the burden of the new economic measures.

As of tomorrow, the minimum salary in Venezuela will be 4,000 bolivares for urban residents and 2,500 bolivares for those living in the country. There will also be a 31-percent salary increase for government employees.

The increases will be made in the following manner: There will be a 30-percent increase for salaries up to 5,000 bolivares. If you make 4,900 bolivares, your salary will increase by 1,470 bolivares, so your basic earnings will be 6,370 bolivares. If you make 5,100 bolivares, you will receive a 30-percent increase—in other words, 1,500 bolivares—for the first 5,000 bolivares. You will also receive a 10-percent increase—10 bolivares—for the remaining 100 bolivares. You will thus be making an extra 1,600 bolivares and your basic earnings will be 6,610 bolivares a month. If your salary is higher than 11,000 bolivares, for example, you will receive a 30-percent increase—in other words, 1,500 bolivares—for the first 5,000 bolivares, a 10-percent increase for the next 5,000 bolivares, or 500 bolivares, and a 5-percent increase for the remaining 1,000 bolivares, or 50 bolivares. Your salary will thus increase by 2,050 bolivares, and, as of tomorrow, your basic earnings will be 13,050 bolivares.

All private employees will be receiving 2,000 bolivares each. Hopefully, everyone will be able to cash their checks tomorrow, 15 March. The executive branch, the CTV, the Federation of Chambers of Industry, and Fedecamaras have promised to pay these salary increases as of tomorrow. [end recording]

Central Bank President Notes Reserve Goal

PA1303204089 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 10 Mar 89

[Text] One of the Venezuelan Central Bank's goals is to end this year with a net increase of some $450 million in foreign reserves, Central Bank President Pedro Tinoco said during a speech to the Association of Venezuelan Executives.

Tinoco said the country will obtain resources to increase the reserves through loans from banks that are not current creditors, as well as through the sale of gold futures.

Tinoco told his listeners that recent measures had been adopted to offset a reduced income, but that general policy should be directed toward balancing the economy.

[Begin Tinoco recording] It is obvious that we could not continue as we were, with a weakened foreign reserve picture, without running the risk of quickly arriving at a stage of true crisis based on truly objective and real causes.

Had we not changed direction, we would have had a few more months of apparent calm, and then, near the middle of the year, the economy would have begun to collapse simply because of insufficient resources and an inability to import, and because we would have arrived at a point very close to insolvency. [end recording]

Guyana

Freeze in Banking Sector To Begin 1 April

FL1403142989 Bridgetown CANA in English 1339 GMT 14 Mar 89

[Text] Georgetown, Guyana, March 14, CANA—Guyana has intimated that it will impose a six-month freeze on the liquid assets of commercial banks with effect from April 1.

According to proposed new legislation presented to the National Assembly Friday—the "Minimum Holdings of Liquid Assets by Banks (temporary provisions) Bill 1989"—the freeze will be on "liquid assets equivalent to the aggregate of the value of (each bank's) liquid assets as at 15th March 1989."

Sources within the banking sector told CANA that the new measure is one of the instruments being used by the governmnt "to try and dry up the excess liquidity in the banking system." One source said the measure "is evidently in keeping with the government's Economic Recovery Program," the key component of which will be an International Monetary Fund (IMF) support programme.

"After the freeze takes effect, any money we want to lend will have to be a part of our increments of new deposits. We will have to hold what we have at present—at March 15 if we want to continue to lend we have to go out and get deposits into our system," the manager of one of the leading local commercial banks explained.

He said what has been happening is that some banks have been "running down their liquid assets" in order to make loans.

The government wants to put a hold on that and they are saying: "If you want money to lend, go out and take in new deposits. Those banks which have been turning back deposits may experience some problems now," he remarked.

At present, as part of the reserve requirements each bank must maintain a stipulated level of liquid assets—20 percent of demand deposits and 15 per cent of time deposits—that can be readily converted into cash in case of difficulties.

The freeze will be in place from April 1 to September 30. The bill stipulates that any bank which fails to comply with the relevant requirements "shall be liable on summary conviction to a fine of one-thirtieth of one per cent of the amount of the deficiency for every day on which the offence occurs."

Foreign Minister Returns From Suriname

FL2802125489 Bonaire Trans World Radio in English 1130 GMT 28 Feb 89

[Text] Guyanese Foreign Minister Rashleigh Jackson has returned home following 2 days of talks in Suriname with top officials, including Foreign Minister Eddie Sedoc.

At a news conference in Paramaribo yesterday afternoon, Mr Jackson said that one issue discussed was the smuggling of contraband between Guyana and Suriname. Mr Jackson expressed optimism about solving the problem.

The Guyanese foreign minister also told reporters he discussed the upcoming visit to Georgetown of Surinamese President Ramsewak Shankar. Mr Jackson described the visit as timely.